Illinois U Library

COMMERCE

MAGAZINE

Prosperity---Is It Superficial? . . .

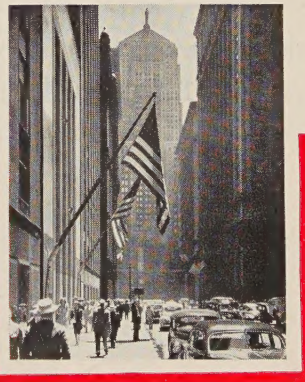
The Magic of Chemurgy . . . . . .

Employes Love Movie Day! . . . . .

Facts About Factoring . . . . . .

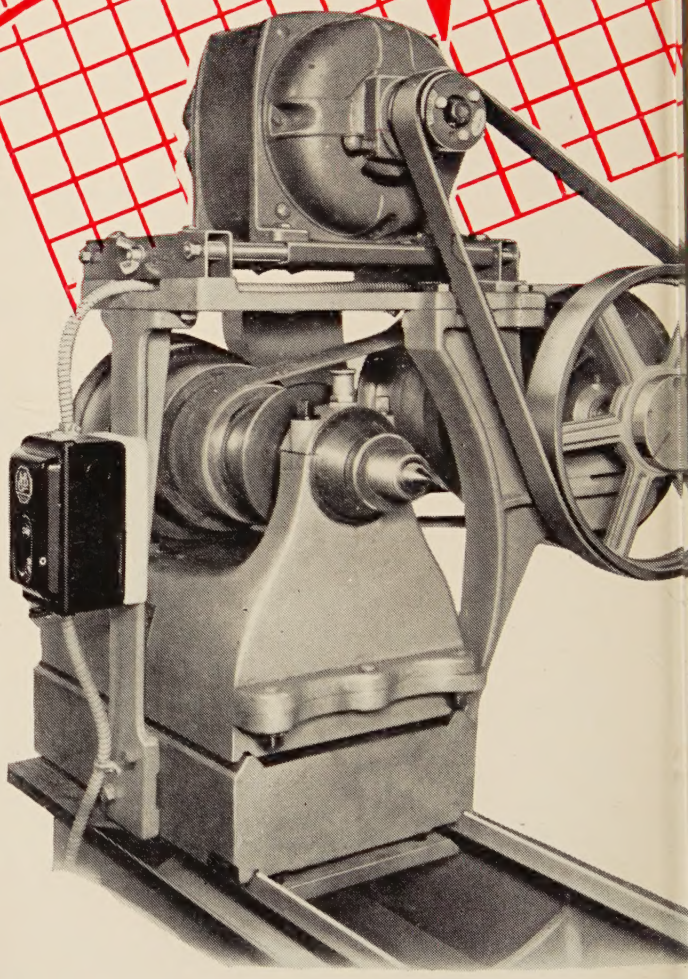
Never Underestimate The Lobbyist .

MAY, 1950 35 CENTS



CHICAGO BELTING *is the POWER LINK for*

A Compact Drive That Soaks Up Shock



Flat leather CHICAGO BELTING, especially designed for the UNI-PULL short center belt drive, gives you a compact arrangement that can handle shock loads.

The tension control motor base continuously maintains adequate belt tension. The high quality CHICAGO BELT forms a flexible, shock absorbing POWER LINK between driving and driven pulleys. The natural, cushioning resiliency of the belt protects the entire drive from the harmful effects of impact loads.

When you design a machine for a flexible drive that must fit into limited space, remember this most successful modern drive will operate over a wide range of pulley ratios, save wear on motor and machine bearings, and absorb the shock of sudden loads.

Find out the many additional advantages of the Uni-Pull transmission drive today. Phone MOnroe 6-5050 and get the facts — how you can increase production and lower operating costs with less maintenance in YOUR own plant.

Our engineering department is always ready and willing to discuss your power transmission requirements. Phone or write. No obligation.

CHICAGO BELTING COMPAN

MANUFACTURERS OF LEATHER BELTING AND LEATHER PACKIN

GREEN & WASHINGTON STREETS, CHICAGO

NEW Kansas City Chief

Overnight Streamliner

Chicago—Kansas City

featuring the

CENTENNIAL CLUB

Lounge-Dining Car

Streamlined Pullmans with room and berth accommodations . . . streamlined chair cars with new style reclining seats and leg rest . . . and the colorful "Centennial Club" Lounge-Diner decorated in the style of early day railroadin' to commemorate Kansas City's Centennial Anniversary.

Leave Chicago 10:00 pm, arrive Kansas City 7:45 am—returning leave Kansas City 10:00 pm, arrive Chicago 7:45 am.

W. A. FLEMING,
General Agent Pass. Dept.
179 West Jackson Blvd.

M. O. STROM
Division Pass. Agent
238 South Michigan Ave.

Telephone HA 7-4900 or Dearborn Station, HA 7-7500
CHICAGO, ILLINOIS

Santa Fe

NOW 8 NEW YORK NONSTOPS

ON UNITED'S DC-6 MAINLINER 300s

LEAVE AT 7 a. m., 8 a. m., 11 a. m., 4 p. m., 5 p. m., 8 p. m., 10 p. m., or 1:50 a. m. Reach New York in just 2 hrs. 55 min. This is the most frequent 1st class service to New York! Finest meals and service aloft.

FASTEST, FINEST TO PHILADELPHIA! Now only 2⅔ hrs. *nonstop* on DC-6 Mainliner 300s — the *only* nonstop flights to Philadelphia! Leave at 5:45 p.m., arrive 9:25 p. m. Two other DC-6 flights daily.

COST IS LOWER THAN RAIL! Based on fares alone, you save $4.54 one way over 1st-class rail with lower berth to New York, $3.49 one way to Philadelphia.

UNITED AIR LINES

Monroe and Wabash (Palmer House Corner) or Stevens Hotel Lobby. Call FRanklin 2-4900.

OR, SEE AN AUTHORIZED TRAVEL AGENT

Flights operate on Standard time.

STATISTICS OF CHICAGO BUSINES

	March 1950	February 1950	March 1949
Building permits	770	631	6
Cost	$12,040,400	$9,342,000	$10,030,9
Contracts awarded on building projects, Cook Co.	1,350	998	1,0
Cost (F. W. Dodge Corp.)	$35,920,000	$4,506,000	$29,604,0
Real estate transfers	6,633	5,029	4,9
Consideration	$6,316,750	$4,482,485	$5,118,9
Department store sales index (Federal Reserve Board) (Daily average 1935-39=100)	198.8*	176.8	199
Bank clearings	$3,318,406,672	$2,717,785,605	$3,164,113,1
Bank debits to individual accounts: 7th Federal Reserve District	$17,329,054,000	$14,201,160,000	$17,158,195,0
Chicago only (Federal Reserve Board)	$9,112,374,000	$7,397,435,000	$9,278,165,0
Midwest Stock Exchange transactions: Number of shares traded	1,358,000	1,190,000	550,0
Market value of shares traded	$38,737,785	$31,248,035	$13,751,7
Railway express shipments, Chicago area	1,205,191	1,027,561	1,404,5
Air express shipments, Chicago area	60,180	49,855	39,2
L.C.L. merchandise cars	23,741	19,246	26,5
Electric power production, kwh	1,080,031,000	1,010,143,000	1,072,083,0
Revenue passengers carried by Chicago Transit Authority lines: Surface division	57,530,099	51,465,832	66,228,2
Rapid Transit division	13,206,286	11,874,913	14,894,5
Postal receipts	$10,527,837	$8,630,376	$10,249,7
Air passengers: Arrivals	117,002	91,411	103,6
Departures	116,913	97,551	106,0
Consumers' Price Index (1935-39=100)	172.9	172.0	174
Livestock slaughtered under federal inspection	541,577	421,075	511,3
Families on relief rolls: Cook County	31,606	30,629	23,4
Other Illinois counties	26,268	24,898	19,8

* Preliminary figure.

JUNE, 1950, TAX CALENDAR

Date Due	Tax	Returnable to
1	File Illinois Capital Stock Tax return	Director of Revenue
15	If total O.A.B. taxes (employer and employe) plus income tax withheld in previous month exceeds $100, pay amount to	Authorized Depositary
15	Payment of one-quarter of 1950 estimated tax fund due March 15 by individuals. (Those required to file declaration for first time, or making revised declaration, pay one-third of the balance of 1950 estimated tax	Collector of Internal Revenue
15	Illinois Retailers' Occupation Tax return and payment for month of May	Director of Revenue
15	Second quarterly installment of 1949 Federal Income Tax by Corporations and Fiduciaries	Collector of Internal Revenue
15	Payment of Federal Income Tax withheld at source	Collector of Internal Revenue
30	Federal Excise Tax return and payment due for May, 1950	Collector of Internal Revenue

COMMERCE
MAGAZINE

PUBLISHED SINCE 1904
BY THE CHICAGO ASSOCIATION OF COMMERCE AND INDUSTRY
1 NORTH LA SALLE STREET, CHICAGO 2 • FRANKLIN 2-7700

OL. 47 NO. 4

MAY, 1950

CONTENTS ☆

The Magic of Chemurgy ....By Warren L. Anderson 13
Can Adroit Fashion Promotion End the Blue Serge Blues? ....By Betty Savesky 15
Employes Love Movie Day—But They Are Not Just For Fun ....By Daniel F. Nicholson 16
Facts About Factoring ....By Lewis A. Riley 19
Never Underestimate The Lobbyist ..By Jack Robins 20
Is Prosperity Built On Superficial Strength? ....By Edwin G. Nourse 21

REGULAR FEATURES ☆

Statistics of Chicago Business 2
The Editor's Page 7
Here, There and Everywhere 8
Trends in Finance and Business 10
Invest—In the Middle West 31
Industrial Developments in the Chicago Area 35
Transportation and Traffic 39
New Products 42
Stop Me—If 48

Alan Sturdy, Editor — Lewis A. Riley, Associate Editor
L. B. Murdock, Advertising Manager

MEMBER AUDIT BUREAU OF CIRCULATIONS

Published monthly by The Chicago Association of Commerce and Industry, with offices at James and North Cook Streets, Barrington, Ill. and 1 North LaSalle Street, Chicago 2, Ill. Subscription rates: domestic $3.50 a year; three years $7.50; foreign $4.50 a year; single copies 35 cents. Reentered as second class matter June 2, 1948, at the Post Office at Barrington, Ill., under the act of March 3, 1879.

Copyright 1950, by the Chicago Association of Commerce and Industry. Reprint permission on request.
Executive and Editorial Offices: 1 North LaSalle St., Chicago, Telephone Franklin 2-7700. Night Telephone: Editorial, Franklin 2-7717; Advertising, Franklin 2-7711. Neither Commerce nor The Chicago Association of Commerce and Industry sponsors or is committed to the views expressed by authors. Cover design copyrighted.

POSTMASTERS ATTENTION: Copies returned under labels Form 3579 should be sent to 1 North LaSalle Street, Chicago 2, Illinois.

In This Issue . . .

Some years ago the late Henry Ford predicted that eventually science would grow a complete automobile. His forecast called attention to the enormous potentialities of a little-known branch of science called chemurgy. Already, reports Warren L. Anderson (p. 13), chemurgy is making real progress toward the utilization of farm by-products, many of them useless wastes today, in the production of a variety of industrial goods.

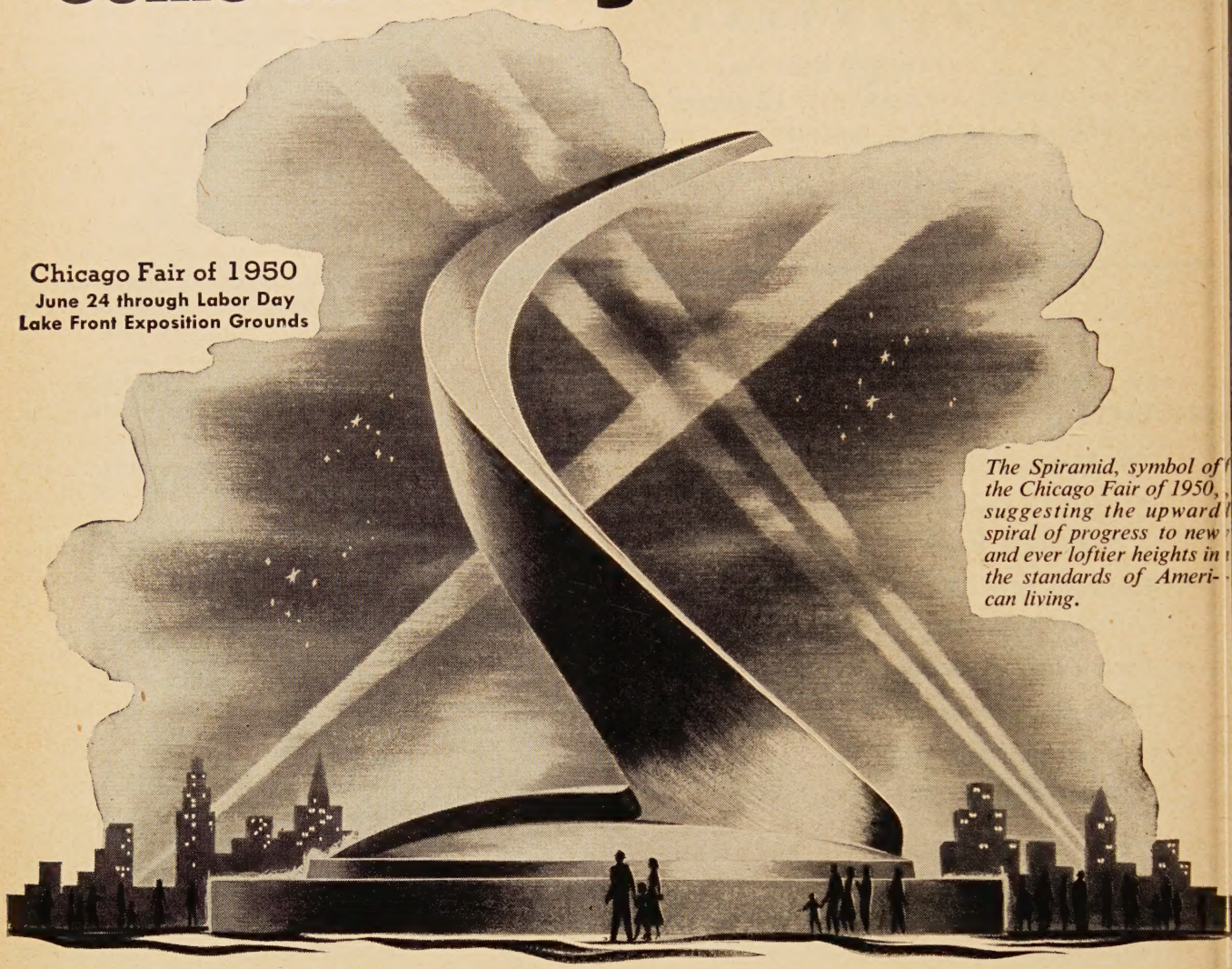
More and more companies are discovering these days that employe movies are an excellent vehicle for improving morale, building sales, reducing accidents and — more importantly — explaining the free enterprise system. Daniel F. Nicholson reviews the growth of the "movie day" idea in industry in an article beginning on page 16.

There are probably a good many businessmen who do not realize the importance of lobbyists and how they influence legislation of crucial importance to business. It is not surprising, for even Congressmen are not quite sure how the lobbyist "influences" the passage of bills. As a result, Congress is now giving the subject a thorough study. One thing that has already come to light is that labor is well ahead of business, in the size and scope of its lobbying activities.

Ask a group of businessmen "What's a factor?" and chances are a surprising number will not know. Nevertheless, factors have been around for quite a while (since the Roman Empire, in fact) and they appear to be getting more important in the financial community every year. Exactly what they do for business is outlined in an article beginning on page 19.

Economist Edwin G. Nourse has been doing some hard thinking about the present state of American business. Is the prosperity we are now enjoying, he asks, based on fundamental soundness or upon superficial economic strength? His answer to this question is contained in this month's "Speech of The Month" condensation (p. 21).

Come to Chicago this Summer



The Spiramid, symbol of the Chicago Fair of 1950, suggesting the upward spiral of progress to new and ever loftier heights in the standards of American living.

This Fair will dramatize many phases of achievement in agriculture, commerce, industry and science in the United States. Planned as an exposition of the "American Way" of life, its features will be highlighted by a spectacular pageant, "Frontiers of Freedom", dramatizing America's pioneer heritage.

Starting with the Columbian Exposition in 1893 and continuing through the Century of Progress in 1933 and '34 and the Railroad Fairs of 1948 and '49, Chicago has a record of consistent successes in staging these great exhibitions . . . commemorating historic occasions and dramatic achievements of industry. The fair planned for 1950, while unlike any previously presented here, will uphold this city's tradition for outstanding events of this sort.

Diversified skills and technological advances are potent factors in the industrial and agricultural growth of the Chicago-Northern Illinois area. This area, strategically located, rich in easily accessible natural resources, is a fertile proving ground of successful industry.

We will gladly prepare for you a confidential survey of the benefits of locating in the Chicago-Northern Illinois area, as they apply specifically to the problems and basic requirements of your business. There is no obligation, of course.

Industries in the Chicago area have these outstanding advantages: *Railroad Center of the United States • World Airport • Inland Waterways • Geographical Center of U. S. Population • Great Financial Center • The "Great Central Market" Food Producing and Processing Center • Leader in Iron and Steel Manufacturing • Good Labor Relations Record • More than 2,500,000 Kilowatts of Power • Tremendous Coal Reserves • Good Government • Good Living • Good Services for Tax Dollars.*

TERRITORIAL INFORMATION DEPARTMENT

Marquette Building—140 South Dearborn Street, Chicago 3, Illinois—Phone RAndolph 6-1617

COMMONWEALTH EDISON COMPANY • PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS
WESTERN UNITED GAS AND ELECTRIC COMPANY • ILLINOIS NORTHERN UTILITIES COMPANY

The Editor's Page

King Coal's Maladies

WEST VIRGINIA'S Senator Kilgore is proposing passage of a new law, bearing considerable resemblance to the Guffey Coal Act of depression origin, which would establish minimum price regulation for the coal industry.

Although it is a scant two months since the whole economy was threatened with strangulation because of the strike-caused coal shortage, a problem of oversupply is already developing. Senator Kilgore is viewing the problem too narrowly, however. Establishing minimum prices might prevent the shutting down of mines with the highest production costs, but it would not increase the consumption of coal, provide a full work week for all of the 400,000 miners, encourage more economical production, or improve coal's competitive position. Neither would it bring under public control the UMW deathgrip on the economy.

These are some of the problems affecting the industry that are discernible even to the layman. In many industries the existence of similar difficulties would not be a matter for public concern and probably would not raise a proposal for legalized limitation on competition. But the coal industry is essential to the whole nation. Although there are substitute fuels, coal is still by all odds the principal fuel of the electric utility industry and therefore our principal source of power. In steel making and the production of a great many chemicals there is no substitute.

These circumstances make the ills of the industry of grave national concern. Minimum price legislation in itself would be dealing only with the symptom of more basic problems. Before that or other government assistance is given, there should be a very complete study of the underlying factors with a view to the prescription of cures, not palliatives.

The Goose Hangs High

EARLY THIS year the most sanguine of the business forecasters limited their forecasts of good business to the first six months and left a rather prominent question mark over the last half of the year. The less sanguine ranged from not too confident about the first half to downright pessimistic.

Today the goose hangs high. Business activity is near boomtime levels. Home building is scheduled for a new high record. The automobile industry appears to have a greater problem in deliveries than in sales. Many home appliances move with an alacrity that surprises even the manufacturers. In the infant industry division, television has already become something of a giant and sales and production schedules, which earlier this year were regarded as the bragging of over confident youth, now look as though they may prove low. Sustained by all this activity, the steel industry has topped its theoretical 100 per cent operating level and signs are appearing that the expected slowdown in new capital investment by industry will not develop.

What all this seems to prove is that the American consumer isn't seeing any ghosts under the bed at present. That nebulous but all-important quantity—confidence—is near universal. The tax load, which is absorbing 25 per cent of the national income, yet still not meeting government spending, the mounting use of consumer credit, the heavy subsidy supporting farm income, the underwriting of a large export balance with ECA money, and the possibility of rising unemployment as job creation lags behind the addition of new workers to the labor force are not very frightening to very many. Over the longer run these adverse factors may or may not become controlling. But for the rest of 1950, at least, the bets seem to be down and all on one side of the table.

Ore And A Ship

FOR SEVERAL years there has been a great deal of public discussion about exhaustion of the Great Lakes region ore supplies, particularly those of the famed Mesabi range. Chicago's Inland Steel Company last month gave concrete evidence of its conviction that Great Lakes deposits will be providing ore for many many years to come when it put into service its new, super ore carrier, the "Wilfred Sykes" (picture page 28) in which it has invested the tidy sum of $5,000,000.

Clarence B. Randall, president of Inland, has said, "When Father Dearborn looks down a hundred years from now, he will still see smoke coming out of those open-hearth stacks at Gary and Indiana Harbor, and Lake Superior ore will still be feeding the blast furnaces there." The Sykes represents blue chip backing of that judgment.

As Mr. Randall and his company see it, there is enough top grade Lake Superior ore to last for at least 22 years, even at the record rate of withdrawal of the war and postwar years. This does not take into account the fact that because of state taxes on reserves ore companies are not encouraged to prove up reserves much before they are needed. Nor does it take into account the progress being made in beneficiation at the source of ores such as taconite, which have not yet been used in quantity. The store of these ores in the Lake Superior region is tremendous and as yet untapped. Finally, there is the huge new find of ore in Canada, northwest of Port Arthur, which logic would dictate will move down the lakes to the furnaces at Gary and Indiana Harbor.

These facts attest that the new queen of the Great Lakes ore fleet and the great mills she was built to serve will be doing a big job for Middle Western steel consumers long after most of us are past concern with such mundane questions as ore supplies.

Alan Sturdy

Save Customers!
...with your own private Telephone System

KELLOGG
SELECT-O-PHONE
AUTOMATIC PRIVATE TELEPHONE AND PAGING SYSTEM

● Stop the wasteful battle between "outside" and "inside" calls! . . . Clear your switchboard to handle business-getting "outside" calls without interference from "inside" telephone traffic! . . . The Kellogg Select-O-Phone System is the answer. At the flick of a dial, Select-O-Phone handles calls for from 5 to 48 *inside* stations — frees your switchboard for those all-important *outside* calls! . . . It will pay you to get the facts— to find out how Select-O-Phone will save you hours and dollars.

MAIL COUPON TODAY

SELECT-O-PHONE DIVISION
Kellogg Switchboard & Supply Co.
6608 South Cicero Ave., Chicago 38, Ill.

Please rush your new bulletin explaining all the ways Select-O-Phone can save my company money and increase efficiency.

Name_____
Company_____
Address_____
City_____ State_____

HERE-THERE and EVERYWHERE

● **Broad Accident Policy**—Twenty five dollars a year now buys $25,000 worth of insurance protection against virtually any travel accident (short of those caused by war) from stumbling off a streetcar to an ocean catastrophe. This coverage is provided by a new travel policy introduced by Continental Casualty Company of Chicago which insures men, women and children 24 hours a day while traveling anywhere for any purpose as passengers on any form of air, land and water passenger transportation licensed for public hire.

● **Tips On Stock Buying** — The Pittsburgh Plate Glass Company has given its 26,000 employes a one lesson introduction to stock buying. In a recent issue of the company's employe magazine, three profusely illustrated pages are devoted to the subject: "How To Buy Stock — One Easy Lesson." It carries this introduction: "How do you go about purchasing a stake in American industrial progress? It's as simple as buying a washing machine, and it has fewer mysteries than the contents of tomorrow's lunch box."

● **Long Life Tires** — The United States Rubber Company reports that still tougher auto tires capable of withstanding 1,500 to 2,000 miles more wear are now in sight. They will be made by a new process involving the blending of "cold" synthetic rubber in liquid form with high abrasion carbon blacks. The new process is now being used to produce rubber for tire treads at U. S. Rubber's synthetic rubber plant at Borger, Texas.

● **Switch To Oil** — United States Steel Corporation's subsidiary, the Pittsburgh Steamship Company, will begin using oil instead of coal to fuel its Great Lakes ore fleet next year. The switch-over part of a three-way improvemer in the operation of two 13,000-to vessels of the Pittsburgh fleet tha will increase their power by 5 per cent and also increase th number of trips the ships ca make during a normal shippin season.

● **Waterway Traffic Up** — Freigh traffic on the Illinois Waterwa continues to roll upward far mor quickly than expected a year c so ago. Last March, traffic soare to well over 1,000,000 tons, a leve three times higher than in the pre vious month. The heavy freigh was partly due to a rush of coal t the Chicago market, plus heav movement of petroleum product (355,000 tons) and grain (190,00 tons).

● **More Trucks On Road** — Th Interstate Commerce Commissio recently disclosed that big truck now surpass passenger car use o the nation's highways. According to the commission, "for hire" truck coming under its jurisdiction now total 51.6 per cent of the ton mileage usage of the highways.

● **Microscopic Screw** — The world's smallest mass-produced precisio screw, completely threaded and slotted, yet so small that 1,000,00 weigh only a pound, has been de veloped by Elgin National Watch Company for use in adjusting the balance wheel of watches and military timing instruments. On of the screws could be hidde under an ordinary sewing needle

● **Tulip-Time Coming** — Citizen of Holland, Michigan, are busy with mops and brooms these day scrubbing the last inch of thei colorful village in preparation fo the 22nd annual Tulip-Time Festi

(Continued on page 41)

trouble free!

PRECISION SHAFTING *"plus"*

. . . says Mr. E. A. Griebe, purchasing agent for Lindberg Engineering Company. "Sure, your steel is good but that's only half the story. It's the quick, efficient, personal service that you give every one of my orders that really counts. When I call The Steel Supply Company our shafting worries disappear because you make our problems your problems. You make me feel that you are really interested. I consider my relations with The Steel Supply Company a wonderful contact."

Enthusiastic comments such as this result from combining a good product with superior service. When you need precision steel shafting, order from The Steel Supply Company—we guarantee satisfaction.

Write today for our folder "Call A Specialist"—four short pages containing the technical data you need for buying trouble free precision shafting.

Also a complete inventory of cold finished bars in rounds, squares, flats and hexagons. Drill rod in three and twelve-foot lengths.

SHAFTING SPECIALISTS
THE STEEL SUPPLY COMPANY
SINCE 1904

THE STEEL SUPPLY COMPANY
26 NORTH ABERDEEN STREET • CHICAGO 7, ILLINOIS
Telephone MO nroe 6-4212

Why Are Mutual Funds Popular?

• • •

In 1949 the public invested $278 million in the shares of 91 leading Mutual Funds—an increase of 89% over 1948. What causes form the basis for this rapidly increasing trend toward Mutual Fund Shares?

Two outstanding advantages which the buyer appreciates are: expert investment selection and supervision, and spreading the risk-diversification in a single investment. These two benefits account largely for the widespread favor toward this modern specialized form of investment.

For your Pension Plan, or for individual investment, consider the merits of Mutual Funds. Here are securities each of which represents an interest in a carefully selected list of investments, constantly and competently supervised by men of long experience. Write us, or call at our office, for our latest Bulletin on Mutual Fund shares.

Hulburd, Warren & Chandler

208 So. LaSalle St.

Chicago 4, Ill.

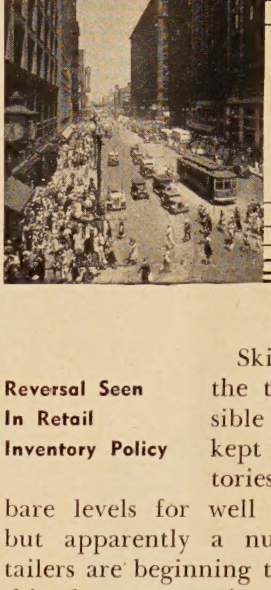
ST 2-9760

Members, New York Stock Exchange, Midwest Stock Exchange, and other leading exchanges.

• • •

Branches

Bay City	Michigan
Battle Creek	Michigan
Grand Rapids	Michigan
Flint	Michigan
Kalamazoo	Michigan
Dixon	Illinois
Kankakee	Illinois
Kentland	Indiana
Lansing	Michigan
Madison	Wisconsin
Toledo	Ohio



Trends in FINANCE and BUSINES

Reversal Seen In Retail Inventory Policy

Skittishness over the threat of possible losses has kept retail inventories at threadbare levels for well over a year, but apparently a number of retailers are beginning to realize that this ultra-conservatism has frequently left stocks so depleted that sales have been lost. An increasing number of merchants now believe that inventories will have to be materially strengthened if retailers are to take full advantage of favorable over-all business prospects for the rest of 1950.

An executive of one leading Chicago department store says, "We are convinced that we must take a considerably stronger inventory position. If we are to get the business that now seems in prospect we will need much greater depth of stock, color, size and variety in many lines." Another department store executive points optimistically to the enormous sales volume likely to result from this year's expected completion of more than a million new homes. Estimates are that each of these new homes represents a minimum demand for $2,000 worth of furniture and furnishings, with another $500 to $700 buying potential altogether possible if individual incomes remain at their present high levels.

These observers believe that last year's Fall slump, followed by the steel strike and lagging pre-Easter sales, produced an undue degree of pessimism among retailers. They point out, however, that Easter is no longer the crucial "cut-off" date it once was for retail sales; a more important consideration today being the weather. They expect that the first sustained warm weather will send volume up sharply in many lines, in which case many inventory-short retailers may fin themselves without adequate stock

« « » »

Rate Of Increase In State Taxes Appears Arrested

There is at lea one bright spot the nation's othe wise gloomy ta picture. Accordi to figures compiled by Commer Clearing House, the 16-year u trend in state tax collections sho signs of slackening.

The total tax collections of states covered in the survey ro only 6.9 per cent in 1949 compare to increases of 16.5 per cent 1948 and 12.1 per cent in 194 Six states showed decreases fro 1948 collections, and in 28 othe increases were held to 10 per ce or less.

Connecticut taxpayers enjoye the biggest drop (11.5 per cent) du largely to a reduction in that state sales tax rate from three to on per cent. New Jersey showed drop of 8.8 per cent, Rhode Islan 5.0 per cent; Arizona 4.2 per cen New York 2.8 per cent and N braska 0.2 per cent. Illinois stat tax collections last year amounte to $436,780,000, an increase of 7. per cent from the 1948 level o $406,629,000.

« « » »

Auto-TV Boom Presents Odd Paradox

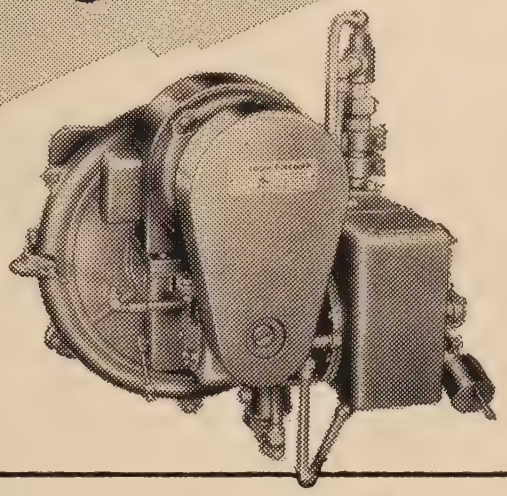
The two red ho items in today consumer marke are (1) automo biles and (2) tel vision receivers. In both field record high production is still u able to keep pace with demand. I the 56 months since the end of th war, the auto industry has pr duced more than 21,000,000 moto vehicles, worth more than $25,000 000,000 at wholesale, and still th demand for new cars remains a the highest level in history. Th

(Continued on page 40)

BURN ECONOMICAL HEAVY OIL

with the

HIGHLY EFFICIENT IRON FIREMAN INDUSTRIAL OIL BURNER

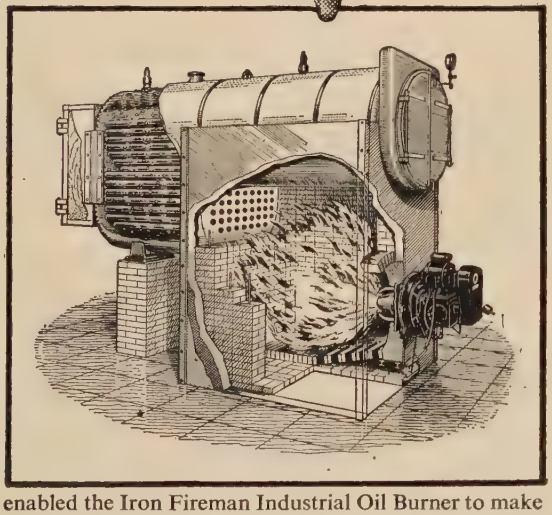


Now you can use economical heavy oils (Nos. 5 and 6) with the Iron Fireman Industrial Oil Burner and get a steady, even flame, regardless of varying oil temperature or viscosity. This steady flame eliminates erratic heating and starting failures, and it *stays* steady, even at very low burning rates.

New Principle of Oil Control

Iron Fireman's exclusive Oil Volumeter employs a new principle of oil control which eliminates the inefficient combustion and many troubles that go with conventional controls. Oil flow control with the Oil Volumeter is positive and precise because the oil feed-rate is regulated *by volume*, instead of using complex mechanisms (as some burners do) to preheat the oil or change the size of the opening through which oil flows.

The result of the Oil Volumeter's exact control is efficient, non-pulsating combustion, which has



enabled the Iron Fireman Industrial Oil Burner to make an enviable record of fuel and labor savings in many installations throughout the nation.

●

Write or phone today to find out how the Iron Fireman Industrial Oil burner can save fuel and labor costs for you.

THE IRON FIREMAN

IRON FIREMAN MFG. CO.

1101 W. Adams St. **MOnroe 6-8000**

COMMERCE
for May, 1950

The Magic of Chemurgy

By Warren L. Anderson

Eventually, Science May *Grow* An Automobile, And Fuel Industry With Crop Surpluses That Plague The Nation

IN a half century that has witnessed the greatest technological progress of all history, the blossoming of new and fast-growing industries has been taken pretty much for granted by American business. Today, of all relatively new industries, the most dynamic by far is the mammoth field of chemistry. Within this loosely-knit field of endeavor there is one little-noticed segment—called chemurgy—which appears to be growing faster and to have a greater future potential than any other single element of the chemistry industry.

There are men of science who now believe that the future success of the American economy may very well depend upon chemurgy. The arguments they offer in behalf of this challenging thesis are indeed reasonable. For one thing, more than 200 private and governmental laboratories are now working on the vast mysteries involved in the science of chemurgy; in many of these research institutions it has been given priority over all other fields of study.

Chemurgy, in its modern sense, is a relatively new science. The name itself appears in no dictionaries more than a few years old; nor is it catalogued along with other chemistry courses in university curriculums. Literally, it means "chemistry at work," but in a more understandable sense it refers to the utilization of agricultural products for something other than food.

Thus, chemurgy was born the first time that man converted hides to shoe leather and wool to clothing. It is, however, the same branch of chemistry that prompted Henry Ford to predict 15 years ago that science would eventually *grow* most of an automobile. It is also the branch of chemistry that now helps provide an uncountable number of everyday products like plastics, paints, paper and cloth. Ultimately, it may even be called upon to fuel our civilization.

Two-Fold Potential

Chemurgy's potential contribution to the American economy is two-fold. In the first place, it may provide substitutes for a number of raw materials which are becoming scarcer and will eventually be exhausted and, secondly, by absorbing more and more agricultural products, it may relieve to a large extent the growing problem of crop surpluses.

As one authority on chemurgy puts it, "It is conceivable that the day is not far distant when the chemurgic uses of farm crops will be as much as 50 per cent of the total—and even more than this if chemurgic utilization of wood is included." In other words, half our farm output may be used for purposes other than food.

Readers of the Holyoke (Mass.) Transcript-Telegram were recently given a preview of this idea at work. Last January 27, the Telegram was printed on bagasse paper, bagasse being sugar cane waste. Every year Louisiana alone produces some 4,000,000 tons of bagasse and most of it is burned as fuel. Chemurgy, however, has begun to utilize 250,000 tons of bagasse in the production of wallboard. But this is only the beginning of its potentialities.

Admittedly, bagasse paper is not as refined as conventional newsprint; at present, it is more transparent and not as white. On the other hand, it can be manufactured for $60 a ton, against the average $100 production cost of wood pulp newsprint. Considering the additional fact that forest reserves are being depleted to satisfy the nation's annual demand of 121,000,000 tons of newsprint, it is not difficult to see that bagasse may

← Through chemurgy science may eventually fortify farmers against the need for federal subsidies

eventually become an important source of paper, particularly in the South.

Two other crop by-products now being considered as possible substitutes for wood pulp in paper production are wheat straw and a leguminous plant called "lespedeza sericea." About a year and a half ago the first 100 per cent wheat straw paper was made in this country, a development that is widely regarded as one of the great chemurgic advances of all time. Wheat straw paper can be marketed at $65 to $72 a ton and may eventually account for nearly half of the nation's paper output.

Aside from newsprint, researchers believe that straw paper can be used as wrapping paper, construction sheets, container board, boxboard and paperboard. At present, however, nearly all straw produced is used either in barns, or is plowed under or burned.

Rayon From Stalks?

Although developed for the first time barely a decade ago, lespedeza sericea is being used in steadily larger quantities to rejuvenate soil throughout the South. Like all legumes, it tends to prevent erosion, while at the same time adding organic matter to the soil. Lespedeza sericea has one odd characteristic: it leaves hard stalks 30-40 inches tall and about a quarter inch thick which do not rot during the winter months. These stalks have now caught the fancy of chemurgists.

Experiments conducted by Dr. Reavis C. Sproull of the Southern Research Institute over the last several years indicate that sericea stalks can be used in corrugated paper, packing crates and fiber boards. Further research may yield still other products; tannins, oils and waxes, for example. In addition, their use as a source for rayon and other regenerated cellulose products is being considered.

One of the largest industries and greatest potentials insofar as chemurgy is concerned is dairying. Its products, now worth more than $3,000,000,000 annually, plus its 25,000,000 cows valued at $1,500,000,000 and the hundreds of millions of dollars tied up in farms and equipment, make milk the most important crop farmers have.

Dairy By-Products

Of the 50,000,000,000 quarts of milk produced annually in the U.S., little more than 40 per cent is marketed directly as fresh milk or cream. Most of the remainder is converted into butter, cheese, evaporated or condensed milk, ice cream and malted-milk powder — all of which foods have one thing in common. They have by-products of enormous importance to the chemurgist.

Of the 30,000,000,000 quarts of whey and skim milk that chemurgy has at its disposal, about 6,000,000,000 are now used, mostly in the manufacturing of casein. This milk protein has already been turned into a variety of plastics, chiefly in the form of buttons, buckles and beads. Casein has also been widely used in paint production, but by far its biggest use is as a paper coating and as a raw material in the production of bookbinding and woodworking glue.

Casein has been the subject of extensive investigations by the Bureau of Dairy Industry of the Department of Agriculture and the Atlantic Research Associates, affiliate of National Dairy Produ Corporation. One result has be a synthetic wool-like fiber. Used fabrics, the fiber is always mix with an equal or greater amou of wool.

Still another new casein item the market is "Caslen," a produ of the Rubberset Company. bristle-like compound, Caslen is e pected to be used in automob air filters rather than import horsehair. The latter sells for $1. to $1.40 a pound; Caslen will priced at about 95 cents a poun This product alone will require million pounds of casein annuall

Chemurgic research is alrea well into the job of providi substitute fuels against the da however distant, when coal and reserves eventually are gobbled u Ultimately, chemurgists say, we w grow the familiar "five gallons gas and a quart of oil" ordere at the filling station. Some of t fuel will probably come from co cobs, which now are almost alwa destroyed.

Corn Cob Fuel

The Agriculture Department Northern Regional Research Lab ratory at Peoria, Illinois, is wor ing on this problem in the hea of the nation's corn belt. Dr. E. Lathrop has treated corn cobs wit acid to yield sugars that yeas will ferment and convert to alcoho the basis of a possible automobil fuel. The results have been promi ing enough to warrant the buildin of a pilot plant. Early reports i dicate that a ton c cobs will produc 40 to 60 gallons c liquid fuel, half c which is ethyl alc hol.

Today, the mos valuable use c corn cobs is in th production of a oily liquid tha bears the fascina ing name, "fu fural." Furfural the intermediat product betwee common oats hul or corn cobs an

(Continued on page 3

Korth photo

Scarce industrial raw materials can be replaced with by-products of farm wastes

Can adroit fashion promotion end the

BLUE SERGE BLUES?

By BETTY SAVESKY

OVER the past 20 years more and more American homes have become witness to a springtime episode that might be entitled "The Curse of the Men's Clothing Business." Involved in this melancholy drama is the masculine head of the house who each Spring dutifully outfits his youngsters in new clothes, smiles wanly at the sight of his wife enclosed in a fashionable new ensemble, and then orders his three-year-old blue serge dispatched to the cleaner for still another rejuvenation. Tomorrow—if he remembers—he will buy a $1.50 tie to brighten up the aging garment.

Many a male citizen has suspected for some time that he is getting the shank end of the family clothing budget. No less an authority than the federal government now substantiates the fact with cold statistics. According to the Department of Commerce, men's clothing sales over the past two decades have accounted for a steadily declining share of the retail sales in the United States. Back in 1929, men's wear retailers were capturing 2.8 per cent of the total; by the first half of 1949 the figure had slid to 1.8 per cent and in the second half it fell to 1.6 per cent.

There are several reasons for this state of affairs. For one thing, the industry believes all too many men look at a new suit or top coat, and then decide that what they really want is a television set, a new car or a new set of irons.

Binding Conservatism

Another reason for the trend of men's clothing sales, a number of haberdashers contend, is the fact that the average male clings to deep-seated conservatism regarding his attire, despite all the industry has done to entice him into a bright new world of brilliantly hued apparel. As Lilly Dache, the eminently successful hat designer, puts it, "It's a good thing they put tags on men at conventions to tell them apart" — a commentary that pretty well sums up the industry's opinion of mankind's apathetic approach to clothing.

The clothing industry is not unaware of the problem which it confronts. Many a recent trade powwow has revolved around the crucial task of making the American male considerably more fashion-conscious. There have been earlier efforts toward this end, to be sure, but none that has been so concerted or diligently planned as the campaign now being launched by all segments of the men's clothing industry. The fact that this industry-wide effort will include the promotion of such unorthodox items of apparel as summer dress shorts, beaver collar coats and plaid dinner jackets is only incidental to the basic strategy of making menfolk more style-conscious in all their dress.

Even without this campaign, there is already some evidence that the long downward trend in haberdashery sales may have halted. In the first quarter of this year, the men's clothing industry enjoyed a higher volume of business than the women's wear industry. This, however, may only reflect the fact that haberdashers are now coming into their first big replacement market since 1948. According to industry calculations men have not

(Continued on page 27)

Good travelogues, like this Sante Fe Railway "westerner", are wisely interspersed with "serious" films

Employes Love MOVIE DAY!

. . . BUT THEY ARE NOT JUST FOR FUN

By DANIEL F. NICHOLSON

AT noontime one Tuesday last March some 300 employes of Hotpoint, Inc., hustled expectantly into the cafeteria of the company's electric range plant on Chicago's west side. As they began eating, shades were pulled, the lights dimmed and a travelogue of India appeared on the screen at one end of the big lunchroom. For the next half hour, the lunching workers jabbed more or less mechanically at their food as they followed a tense movie involving weaving cobras and prancing snake gods.

Such exotic snatches of melodrama are but one reason why

Cont'l Ill. Nat'l Bank & Trust Co. Photo
"Sponsored" films are often elaborate

Tuesday—"movie day"—is the most popular day of the week for Hotpoint employes. Mixing with travelogues equally absorbing films on safety, science and American business at work, Hotpoint has seen its Tuesday cafeteria patronage grow steadily since "movie day" was instituted last September. So popular have the mid-day cafeteria shows become that last month Hotpoint added nighttime movies for its second-shift workers and introduced similar shows at its Milwaukee plant.

Hotpoint is only one of more than 1,000 companies which have

discovered that good employe movies are one of the best vehicles for teaching safety, training salesmen, selling products, and — not the least of all — engendering a sounder understanding of the free enterprise system. At these plants, monthly, bi-weekly, and weekly "movie days" have rapidly become one of the most popular—and most rewarding—employe recreation-training activities.

Realizing the informative value of movies, a number of trade and business associations now encourage their members to set up film programs for their own workers and for other groups. In a recent pamphlet called "65 Films For Your American Opportunity Program," the U. S. Chamber of Commerce declared, "Motion pictures can help you dramatize American opportunity in your town and in your company. They can set the stage for civic meetings, for employe assemblies, for plant tours. Use them for national affairs forums, and for school gatherings. Chambers, trade associations and industries are . . . learning films can do a big job for the American Economic System."

Many Films Available

A similar bulletin, published by the Investment Bankers Association of America to remind member firms of its film "America Looks Ahead," made this observation: "Hundreds of entertaining and educational sound motion pictures have been produced by business firms, trade associations, and institutions, including some that are designed to explain the free enterprise system and demonstrate its superiority over the totalitarian systems that take away liberty and penalize with a low standard of living. In some of the films the advantages of free competitive enterprise are not the direct theme but are implicit."

The experience of many firms which have introduced "movie days" indicates that most workers not only like films with a "serious" theme, but often prefer them to movies which merely provide entertainment. Illinois Bell Telephone Company made a careful check of employes of its Chicago central area offices who attended a 14-week series of noontime film showings. The most popular film among men, women and mixed audiences was Goodyear Tire and Rubber Company's "A Letter From America," one of the early films in the series. It was the story of a foreign-born laborer and his adjustment to the American way of life. Against this main theme runs a story of 50 years of industrial progress.

Second most popular movie among the telephone workers was the Santa Fe railroad's travel film "Grand Canyon," while the U. S. Treasury's "Behind the Nation," another "serious" film, was third.

Balanced Film Selection

Obviously, a steady diet of free enterprise pictures would pall on any audience. Hence, the best students of the subject recommend that this type of film be shown not more than once a month if weekly programs are held. They should be interspersed with a selection of sports, travel and educational films.

Business Screen Magazine, bible of the non-theatrical film industry, offers six suggestions for planning a "movie day," based on the recommendations of plant executives who have had successful programs:

1. Show films on a regular schedule. Irregular or "special event" showings over-emphasize the importance of the occasion; movie day should be a specific day each week, a regular continuing activity.

2. Attendance should be voluntary. Compulsory attendance turns the occasion into a management lecture. Movie day is your employes' own program to improve relations, improve attitudes, interest and enthusiasm.

3. Films should be informative as well as entertaining. Weekly programs should be well balanced and

Hotpoint, Inc., Photo

Hollywood stars, like Jennifer Holt (left), often appear in company movies

Prudential Insurance Co. Photo

Scene from sponsored movie "House On the Rock" with old-time settings.

(Stills on this page and at bottom, p. 16, from movies produced by Wilding Picture Production, Inc.)

diversified. Movie day loses its significance if it becomes monotonous with too many "training" films. Workers have shown a marked preference for good sponsored films on consumer education, health and hygiene, homemaking, sports and travel.

4. Use good showmanship in movie day promotion. Firms now sponsoring employe movies have found that attendance increases when bulletin boards, employe papers, and other publicity channels are used. Announce showings in advance; tell about the pictures to be shown.

5. Workers show preference for films on the American way of life—but don't show them more than once a month and then as a part of the regular weekly program.

6. Noon hour of cafeteria showings prove exceptionally popular. This is the time and the place for a good employe program. Use good sound projection equipment. Technical difficulties are fairly easy to overcome in most instances. Projectors are easy to set up and will operate with little trouble.

Freddie Fudsie, soapmaker, sells Americanism in this Harding College film

Lunchtime movies catch employes at Mars Candy Company in receptive, relaxed mood

The cost of setting up and maintaining a regular movie day program is very small. A good 16mm sound projector can be bought for as little as $300, and a screen costs $20 to $30. And, of course, there are plenty of bright young men in any organization who can learn to operate the projector.

Best Movies Are Free

One thing that greatly simplifies the undertaking is the fact that many of the best films are free. All that sponsors ask of the borrower is that he pay the return mailing cost, a matter of a few cents. Some films are available only for a rental fee, but that usually is a nominal amount—perhaps $5 to $10. Standard Oil Company of New Jersey figures that the weekly film program it maintains for 350 employes in New York is about $700 a year, including rentals, a paid projectionist, maintenance and repairs, plus the writing off of equipment over a five-year period. Daniel Rochford, head of the company's employe relations department, says the dividends in improved morale make the film program one of Standard's best investments. Incidentally, Standard Oil — like many other wise firms — bans training films at voluntary sessions, keeping them for showing only on company time.

It might appear that the job of studying the long lists of available films, previewing each movie to be sure of its merit, and then writing to a multitude of sponsors would be a formidable chore. Actually, this isn't necessary. Modern Talking Picture Service, Inc., with offices in 26 major cities and subexchanges in a number of other cities, has been commissioned to distribute more than 100 of the top notch 16mm films. Modern will set up a schedule of films adapted to the particular type of audience, whether plant workers, clubs, or church groups. The list of sponsoring firms includes such names as Aluminum Company of America, National Broadcasting Company, Chrysler Corporation, Westinghouse Electric, Cluett, Peabody and Company, Kraft Foods, Arabian-American Oil Company, Burroughs Adding Machine Company, as well as

(Continued on page 24)

FACTS ABOUT FACTORING

For some firms—added working capital

By LEWIS A. RILEY

A GOOD many small and medium-size companies are feeling a pocketbook pinch these days. They are short of working capital and thus are unable to finance expansion programs or to cultivate new business prospects. This increasing need for ready cash has boomed the business of a relatively little-known financial practitioner called a factor. Although factors have played a role in commerce since the Roman Empire (they take their name from the old Latin verb, "facere"—meaning "to do" or "to get something done"), their exact functions are still a mystery to many businessmen today.

Cash From Receivables

Factors operate on the principle that a company's accounts receivable are liquid assets that can be sold for immediate working capital. Basically, a factor's services to his client are relatively simple. Functioning, in effect, as a company's credit department, a factor immediately converts a concern's accounts receivable into cash, meanwhile assuming the responsibility for their ultimate payment. For this service, the factor receives a specified fee, based on a percentage of the receivables handled. He also determines which of his client's customers are to be extended credit, and assumes responsibility for collecting on all accounts.

A Chicago factor, Dunwoody-O'Bryan and Company, cites this representative example of how the factoring principle works in actual practice. Last year, a midwestern manufacturer of chemical specialties came up with a familiar business problem. To sell about $250,000 worth of merchandise a year, the firm was obliged to tie up $50,000 in accounts receivable. The company wanted to increase its annual volume to $400,000 and felt it could do so with $30,000 in additional working capital.

Business Builder?

There was, for example, one prospect who wanted a credit line of $10,000, a request that could not be accommodated because of the chemical company's shortage of working capital. Since a permanent increase in working capital was obviously necessary, short-term bank borrowing would not fit the need. So the company turned to factoring with these results:

The factor, after an investigation of the firm's financial structure, purchased outright all of its current receivables, thereby assuming full responsibility for their payment. In addition, the factor agreed to pay against all future receivables when merchandise was shipped, paying at their net face value less approximately two per cent in factoring charges. At the outset, the factor advanced about $45,000 representing somewhat more than 90 per cent of the face value of the current receivables less factorage. The remainder was remitted when the accounts matured 30 days later.

The $45,000 became a permanent revolving fund which could immediately be used for expansion. As new credit sales were made, the receivables were assigned to the factor, who advanced approximately 98 per cent of their face value to the client.

The factor's ability to bolster working capital and at the same time assume credit responsibility has been largely responsible for a three-fold increase in factoring since 1940. Estimates are that factors now handle over $2,500,000,000 worth of business annually, despite the fact that only a decade or two ago their activities were almost wholly concentrated in the textile industry.

Factors were among the earliest financiers in colonial America, serving as commission merchants for such world traders as the East India Company and the Hudson Bay Company. As part of their service, these early American factors made cash advances on commodities sent to the Western Hemisphere, a function which anticipated their present-day operations. By 1900, however, the factor had pretty much dropped his selling activities and, in his modern capacity, concentrating chiefly upon financing in the textile industry.

Diversification Trend

Diversification into other lines of business began when factoring spread to the Middle West in the late nineteen twenties. Chicago's first commercial factor, Walter E. Heller and Company, added factoring to its commercial financing service in 1935. Even today there are not more than 20 concerns which factor accounts in Chicago; among them, such firms as Commercial Discount Corporation, Marshel Factors, Inc., and Mercantile Discount Corporation.

The distinguishing feature of the service in Chicago is the diversity of the industries served by the city's factors. These include manufacturers of chemicals, radios, electric appliances, housewares, sporting goods, machine tools, office equipment,

Continued on page 23)

Acme photos

Congressmen, facing a steady avalanche of bills (being recorded, left), often act on able lobby presentation

Never Underestimate The Lobbyist!

TODAY'S LOBBYIST WIELDS ENORMOUS INFLUENCE---WITHOUT BRIBES

By JACK ROBINS

A LOBBYIST—in the eyes of many Americans—is a combination Washington play boy and influence-buyer who by a variety of shady devices cajoles, bribes or threatens politicians into voting in accordance with the wishes of the lobbyist's employer. Actually, few if any lobbyists still operate in this highhanded fashion. Lobbyists do, however, influence federal legislation to a far greater degree than most people realize and, oddly enough, almost no one outside the lobbyists themselves knows exactly how they do it.

It is not surprising that the popular conception of a lobbyist is distorted. Congress itself, which is the target of most lobbying activity, has only recently undertaken to get a precise picture of how the lobbyist works, how much he is paid, and how he influences votes.

This much is certain: lobbying is big business in Washington. Last year, according to official reports submitted to Congress, some $8,000,000 was spent on lobbying, although this figure probably represents only a fraction of the total amount spent in influencing legislation. Furthermore, most students of Washington politics agree that the fate of many legislative measures, some of them vitally important to business, is determined by the effectiveness with which one or another lobby presents its case.

Effect In Hearings

The reason is rather obvious. Since no Congressman is physically able to keep track of all legislative proposals, many are influenced by the committee presentations of a lobbying group. Actually, if a lobbyist presents a convincing argument for a particular bill before the committee considering it, he can often influence congressional opinion to a considerably greater degree than did the lobbyists of former years with their outright bribes.

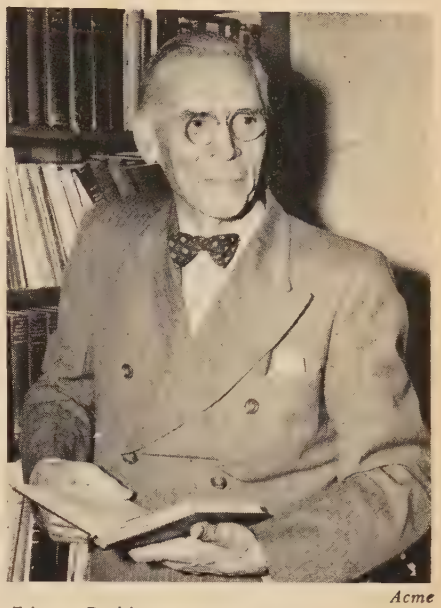
It is true, of course, that a great deal of money is still spent to influence legislation. The first legislative issue of the present session of Congress over the repeal of federal taxes on oleomargarine produced a spirited battle which the oleomargarine interests finally won. The fight of the margarine lobby to rid itself of this tax had been going on for years. The industry had spent a lot of money in the effort, and so had its opposition, the butter lobby. It will be some time before reports show how much was spent in the final battle, but an indication can be found in the expenses of the 1948 clash, which the butter forces won.

For the first six months of 1948, the National Association of Margarine Manufacturers reported spending $133,177. The advertising firm, Leo Burnett Co., Inc., spent $167,498, including $90,889 received from NAMM. Eliminating the duplication, the total for the oleo lobby was $209,786. For the same period the National Cooperative Milk Producers Association (which

(Continued on page 43)

Is Prosperity Built On Superficial Strength?

By EDWIN G. NOURSE



Acme

Edwin G. Nourse

AT the close of 1949 and the opening of this year, there was a harmonious chorus of optimistic forecasts for 1950. Now, the first quarter is closing on a note of prosperity practically up to the level of the forecasts. In spite of some drag as a result of strikes, it appears that we shall enter the second quarter with a good momentum of activity in such basic areas as coal, steel, automobiles, and construction and with such a willingness to spend on the part of consumers that another three months of prosperity seem to be "in the bag".

While in some quarters, notes of caution are being sounded as to the second half of 1950, other forecasters are renewing their assurances that 1950 as a whole will match the prosperity of 1949 or even the somewhat higher level of 1948. Only a few days ago, I read: "A bust in business—a 1929—simply is not in the cards in the foreseeable future . . . Elements of a bust are lacking now. Business outlook is for relatively moderate changes up or down from the present levels into 1951. Adjustment downward may come in 1951."

Temporary Trends?

I do not like to be a crepe-hanger, and I simply will not pose as a business prophet. I have said repeatedly that I regard prophecy by an economist as a definitely unscientific procedure. What the economist can do if he really knows his trade is to identify the factors which are vested with peculiar strategic significance in the complex stream of business development. With the aid of his fellow craftsman, the statistician, he can measure at least roughly the magnitude of these elements or the intensity of these forces and formulate a logical conclusion as to the trend they define or the consequences which will follow if nothing is done to check or redirect those which are inimical to the attainment or continuation of prosperity.

As I look at the current business scene, it appears to me that the factors which have contributed to a rather complacent view are those of superficial business strength or temporary economic trends, and that if we are to conduct ourselves skillfully and prudently to get all the prosperity out of 1950 and 1951 that is potentially in these years, we need to check superficial against fundamental factors. We need to take full advantage of the fleeting opportunity, but at the same time adapt our executive decisions to the actual trend of economic events. Still more, we need to exercise our influence to lessen dangers or strengthen favorable possibilities in the stream of events that still are susceptible to modification by the actions of private business or government.

"Disquieting" Outlook

In one sense, we all join with the optimism of the President in his recent State of the Union Message and his Economic Report to the Congress, and in the optimistic addresses and interviews of Secretary Snyder, Secretary Sawyer, and other spokesmen for the Administration. They stress the country's fundamental strength. Of course, this is a great country, rich in natural resources, capital plant and funds, and an unmatched labor force. It was not devastated by war, and it has before it a great growth potential. In all these regards, the fundamentals are strong, but only in the sense of constituting a strong foundation upon which aggressive and skillful performance, public and private, will make prosperity real and enduring.

But there is a second sense in which the word "fundamental" is to be applied to business. In this connotation, the conditions we shall confront later this year and in subsequent years seem to me not reassuring but gravely disquieting. They constitute a danger that we may throw away the strength of our sound foundation in basic economic resources. This danger stems from imprudence or ineptness which we as a people are showing in dealing with the general fiscal and monetary structure for which we, through our representative government, are responsible. This constitutes the broad overall setting within which particular business operations have to be carried on. Only by keeping our money sound can we have conditions within which private business operations can go forward confidently and successfully.

Why Property?

Before dealing with these fiscal and monetary fundamentals, I want to turn the searchlight on certain phases of current production, distribution and financing operations to see whether these superficial manifestations of prosperity are likely to continue. In the interest

SPEECH OF THE MONTH

Made before the Investment Bankers Association, March 29, 1950

of brevity, I shall make a few categorical observations as to the nature of the business prosperity which we have enjoyed in the first quarter and seem likely to continue to enjoy in the second.

First, current prosperity is to some extent being supported by a special deficit-creating and non-recurring Federal contribution of $2,800,000,000 to the private income stream in the form of a refund of G.I. insurance premiums. To the extent that volume of business, prices, and profits are sustained by this marginal element in consumer income, it rests on a superficial, artificial, temporary, and inflationary kind of support. More than half of the total has already been disbursed and the whole injection will have been completed by midsummer.

Record Book Credit

Second, consumer purchases have been supported by an unprecedented rate of increase in installment and book credit, not to mention the drawing down of wartime savings, particularly through the cashing of E-bonds. The figure for consumer credit in December 1949 stood at an all-time high of $18,800,000,000, and in both November and December showed unprecedented month-to-month increases. It does not seem likely that the consumer goods market in the latter part of 1950 and in 1951 can be sustained through a similar rate of increase. Even for it to level out would have a mildly dampening effect, and reduction in the rate of new consumer credit extension, even though far short of complete stoppage, would have a still more noticeable effect.

Mortgage "Stretch"

Third, there has likewise been a tremendous increase in mortgage credit, particularly on urban dwellings. One does not have to suggest that a single one of these mortgages is overextended or inadequately secured. The mere fact that so much stretch has taken place in that part of our economy and that recent and current strength rests in some part on that expansion raises a cautionary signal for the future.

Fourth, though no one can predict the outcome of the political dog fight over agricultural support measures, the sheer weight of accumulating surpluses is beginning to have its inescapable effect on the farm commodity market. The Department of Agriculture itself predicts a lower rate of farm income this year, subject of course to arbitrary assumptions as to the weather. That might lessen or increase the depressing effect on farm income, but it seems clear that, with the rate at which the rural population has been putting high earnings into farm equipment and home equipment, this is a class of postponable expenditures which is now highly sensitive to any decline in farm income.

Fifth, businessmen and economists quite universally in their analyses of prospective business conditions attach prime importance to the outlook for expenditures on capital goods. This item in total business spending has been maintained at an extremely high figure during the post war reconversion period, with a peak of $19,200,000,000 in 1948. From a rate of $21,600,000,000 in the fourth quarter of 1948, it dropped to a quarterly rate estimated by the Council of Economic Advisers at $15,300,000,000 for the current quarter.

Industrial Growth

Meanwhile, industrial construction and engineering contracts have shown a quite favorable figure thus far in 1950 and we have the fundamental confidence already referred to that this is a great and growing country with adequate financial reserves to go on modernizing and enlarging plant in full step with the demands of advancing technology and the remarkable "upsurge in population growth" which is now quite demonstrably under way.

Even admitting all these things, we are still left in doubt as to what is the maintenance rate for capital goods which would be called for by a maximum production economy over the next few years and decades. Unfortunately, we are confronted also by a lack of complete certainty that our business system under the general conditions provided by government will go confidently ahead to achieve that condition of maximum production. Here we confront some of the deep ambiguities created by the most recent State of the Union Message and Economic Report of the President—or at least not fully removed by those documents.

One thing we know: the process of postwar reconversion has now been so fully completed and the catching-up process has now covered the lines of even the heavy industries to an extent that a change of pace in this field of expenditures

(Continued on page 36)

"Just wait here, madam—we'll have your car out in a jiffy."

Facts About Factoring

(Continued from page 19)

plumbing supplies, paper boxes, plastics, animal feed, novelties and heavy machinery.

Despite its phenomenal growth, factoring has confronted a number of obstacles. For one thing, there is a feeling among some businessmen that the adoption of factoring by a company is an indication of financial weakness. Factors counter this objection with the argument that, although some firms seek their help in desperation, they shy away from risky accounts for a number of sound reasons.

As Fuller M. Rothschild, executive vice president of First Inland Credit Corporation, puts it, "The important test of when to adopt factoring is 'Will the business actually benefit from the use of more funds?' Factoring will not solve the problems of concerns whose working capital has been depleted by continued losses in operation unless these causes are removed."

Another objection often advanced to factoring is based on the traditional idea that a company should itself extend credit to its customers and not shift this service to others. It is also argued that a customer is likely to receive better treatment if credit functions are handled by the selling company itself. Factors contend, however, that their success depends upon the success of their clients, and that to insure success for both parties they make every effort to handle a client's credit operations to the customer's complete satisfaction. They emphasize also that a factor's extensive credit information frequently enables him to extend credit in a borderline case when the client himself might be inclined to withhold credit.

This form of commercial credit is more expensive than bank credit, of course. The reason is obvious: since the factor takes receivables without recourse, risks are greater, and his bookkeeping and credit checking activities are costly additional services not provided by a bank. Factors contend, however, that the "true cost" of their service must be calculated in terms of the added sales volume it makes possible.

In practice, the factoring operation works out like this. The businessman who has contracted to have his receivables factored sends all credit orders for his products directly to the factor as soon as they are received. The factor refers the orders to his own credit department which ascertains the credit standing of the purchaser. Upon approval of a given sale on terms the manufacturer ships the merchandise with the customary invoice, forwarding a copy of the invoice and shipping receipts to his factor. If he desires he may at the time or any time thereafter draw on his factor for the cash involved in the transaction. Ordinarily there is a monthly settlement of the account between factor and manufacturer but such an immediate withdrawal is commonly accepted as one of the normal financing functions of the factor. For purposes of settlement be-

"FASTER SERVICE IS BETTER SERVICE"

says **ALLIS-CHALMERS**

One of the greatest names in American Industry

"Whenever speed is essential to service, we confidently call on AIRFREIGHT typified by Capital Airlines' Service for fast dependable delivery of Allis-Chalmers' electric power equipment, mining machinery, and the wide range of Allis-Chalmers' industrial products," writes Mr. Ervin Manske, Traffic Director, Milwaukee, Wisconsin.

Capital AIRFREIGHT can help your business service more customers faster, get more products to more markets, or operate with smaller inventories! Why not investigate fast, easy-to-use, low cost, Capital AIRFREIGHT today . . . with no obligation.

JOHN E. COURTRIGHT, District Cargo Sales Manager **DEarborn 2-5750**

tween factor and client an invoice generally is regarded as due at the expiration of the discount period allowed the purchaser. The customer of the manufacturer, of course, may pay according to net dating or if he elects take the discount.

If a factor's client makes his withdrawal before the due date he is charged interest at the rate of six per cent for the number of days which elapse between date of withdrawal and the due date between factor and client. If, on the other hand, the manufacturer does not call on the factor for funds until after the due date, he is allowed interest at the same rate on the sum involved until the funds are withdrawn.

Aside from the interest charged on a debit balance, the cost of factoring to the manufacturer is based on the latter's annual net sales volume. The rate charged usually varies from one to three per cent, payable by deduction from the remittance periodically made to the manufacturer.

Establishment of a rate within this general range is a matter between the factor and the manufacturer. Ordinarily it depends upon the manufacturer's volume of business, with no universally defined totals on which graduations are based. In addition to the volume element, major considerations in establishing a rate are the nature of the manufacturer's receivables, their turn-over as determined by average maturity date, the general nature of the credit hazard and the cost of handling receivables. The expense of handling depends upon whether the manufacturer's volume consists of relatively large individual sales or whether a great number of small invoices are involved.

Factors attribute the trebling of their business since 1940 to a number of circumstances, including its extension into new lines of industry and the impact of high taxation and the inflation of prices on the working capital position of all types of business. Looking to the future, and assuming that these underlying conditions will not change radically, they expect a continuing growth in factoring as knowledge and understanding of the service spreads.

Fuller Rothschild of First Inland Credit sums up his view in the statement, "There is little logic behind the fact that businessmen who possess talent to make or sell an article at a profit should constantly keep large sums of badly needed and limited capital invested in accounts receivable."

Employes Love Movie Day

(Continued from page 18)

railroads, trade associations, foundations, and Harding College. The latter institution's animated cartoon films have been so good that commercial movie theaters over the nation have been glad to show them.

There's no advertising in any of the films supplied by Modern Talking Picture Service. The sponsor's name is given, of course, but any advertising message that may have been incorporated originally is out. A few of the 100-odd films in the Modern roster were produced specifically to tell the story of free enterprise; some of the others that tell an interesting story of an industry also indirectly help to "sell" free enterprise.

In the last three months Modern

as signed nearly 100 new industrial programs and is now servicing about thousand. Modern collects its distributing fee from the firm sponsoring the movie; hence, does not charge companies which show it.

High Attendance

Do employes really enjoy sponsored movies or merely tolerate them? The answer certainly appears to be that they enjoy them. For one thing, attendance is almost invariably high. Probing further in a survey of workers, Illinois Bell Telephone learned that 86 per cent of the men and 89 per cent of the women who attended a film series favored the project. The survey further showed that the average Bell employe would have attended the showings even if it were inconvenient to do so.

Alexander I. Newman, vice president of the Precision Scientific Company reports that a survey of company employes indicated that 75 per cent watched the noontime movie program every Tuesday, the rest watched occasionally. Ninety per cent of the employes said they liked the movies, and 76 per cent indicated a preference for weekly showings.

The quality and effectiveness of films produced for non-theater audiences by business firms, foundations and trade associations has improved remarkably in recent months. The heavy-handedness that characterized some early films is disappearing, although it is still not extinct. The National Association of Manufacturers, for example, has been widely praised for its new movie "The Quarterback."

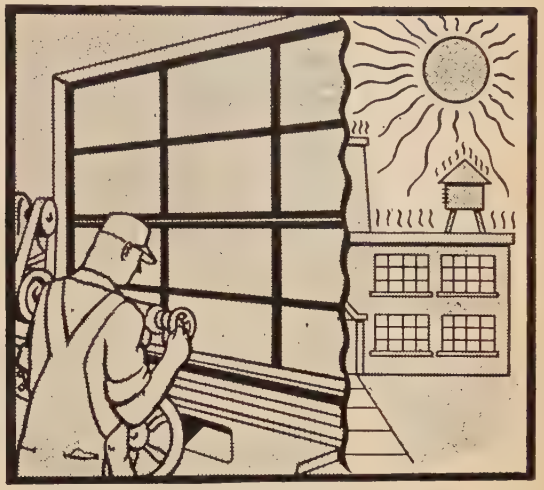
De-emphasize Ads

Management has learned from experience to leave the technical work of motion picture production to professionals. Moreover, it has learned that restraint in the use of advertising messages makes sponsored films more acceptable to the audience. Some companies, recognizing a responsibility to defend the American economic system from its enemies, have eliminated advertising entirely from educational films.

Strangely, a few films intended to defend free enterprise have been

HOW MUCH . . . ?
WILL SUN GLARE AND
SOLAR HEAT
COST YOU THIS SUMMER

THERE IS NO PROFIT IN WILTED EMPLOYEES



EXCESSIVE HEAT

EYE-STRAIN

SOLAR DAMAGE

Cadillac Glass COMPANY

GLAZE WINDOWS NOW WITH
COOL BLUE-GREEN
AKLO
FILTERED DAYLIGHT

THE GLASS THAT KEEPS YOUR HELP HAPPY

YOUR BUSINESS can benefit through the use of AKLO FILTERED DAYLIGHT! Countless buildings now use this remarkable new glass to fight excessive summer heat and year 'round sun glare. Windows glazed with AKLO checkmate high labor Turnover, Poor Workmanship, Product and Material Damage and Production Slow-Downs due to harmful heat and uncomfortable working light. Air-conditioning Plant operating time also is reduced. Glaze your windows **now** with Blue Ridge AKLO, the glass that ensures

- **COOLER INTERIORS**
  Less need for Air Conditioning
- **GREATER PRODUCTION**
  Better Seeing • Better Work
- **SATISFIED EMPLOYEES**
  Less Layoffs • Fewer Turnovers

WRITE
OR CALL . . .

• *For Interesting Booklet!*

MONROE 6-9800

900 W. Cermak Rd. CHICAGO 8, ILL.

PENSIONS

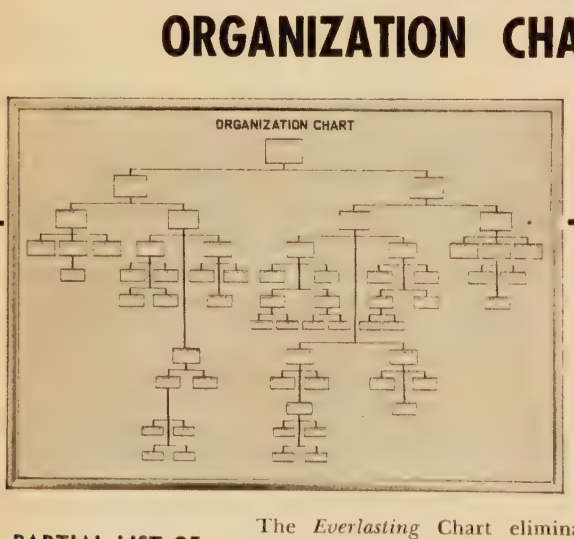
Our new brochure *"Planning a Successful Retirement Program for Your Company"* explains how Marsh & McLennan can assist you in designing or revising a pension plan. Our service is built upon years of experience in helping solve retirement problems for companies, large and small, in the various industries throughout the country. Write for a copy on your business letterhead.

MARSH & McLENNAN
INCORPORATED

INSURANCE BROKERS • CONSULTING ACTUARIES
231 South La Salle Street, Chicago

Chicago New York San Francisco Minneapolis Detroit Boston Los Angeles Pittsburgh Seattle St. Louis St. Paul Duluth Indianapolis Portland Superior Washington Cleveland Buffalo Columbus Phoenix Vancouver Montreal Havana London

THE *Interchangeable* EVERLASTING ORGANIZATION CHART



ELIMINATES
Costly Drafting

- Permits quick economical corrections.
- Made in sizes to fit any organization
- Sharp prints produced directly from the chart.

A PARTIAL LIST OF PROMINENT USERS:

International Harvester Co.
Reuben H. Donnelley Corp.
A. B. Dick Company
Victor Adding Machine Co.
Bell and Howell Company
Central National Bank
United States Navy

The *Everlasting* Chart eliminates all re-drafting when changes occur and is always up to date. Transparent plastic windows hold cards, any one of which may be changed without disturbing others. Cards may be typed or hand lettered. Movable plastic strips form the rules. Entire sections may be moved from one line of authority to another. The flexibility of *Everlasting* charts is acclaimed by users.

Phone or write for your free copy of
"Typical Organization Structures"
Telephone Michigan 2-6563

MANAGEMENT CONTROL CHARTS CO. 1733 N. WELLS ST. CHICAGO 14, ILL.

criticized as too subtle. The audience enjoys the film, the argument goes, but goes away without learning anything new about the system that benefits them. Other films have been regarded as ineffective because they attempted to cover too much ground or tried to appeal to too broad an audience.

The Selling Job

Felix Bruner of General Motors' department of public relations had this sound advice for business firms that essay to produce a film. Speaking at a meeting of the Industrial Audio-Visual Association, he said: "We all know that we can make motion pictures that appeal to large audiences. But our job is not an entertainment job. We are not Hollywood. Ours is a selling job. We are employed to sell ideas or products, or both. We must know whether our films are actually selling the idea or the merchandise, or the institution we set out to sell."

The first step in planning a film, said Bruner, is to know what problem is uppermost in the minds of management, and then decide whether a motion picture is the best medium for solving it. The second step, he said, is to consider the type of audience that the film is intended to reach. "As in the case of so many media, shotgun approach in the industrial motion picture business seldom is the most effective approach. A picture that appeals to everybody frequently cannot carry a sufficiently strong message to sell the people we are trying to reach. An industrial motion picture that does not do an effective selling job is not a good industrial picture, no matter how many people liked it."

A vast and growing audience awaits those who can produce a better movie. O. H. Coelln, Jr., editor and publisher of BUSINESS SCREEN, estimates that more than 150,000 sound projectors are now in use. He warns that the groups using these projectors are developing keener tastes: "They demand both quality and usefulness in films as the sponsor's ticket of admission to their well-attended meetings."

Fashion Promotion

(Continued from page 15)

en buying clothes for three years fast as they have been wearing em out, and many have lately en obliged to visit the clothier r no other reason than to main- in the minimum in appearance ndards.

This fractional upturn in sales s done little to check the concern many men's clothiers who insist at nothing short of revolution ill save men from lifetime drab- ess and many of their haber- shers from eventual liquidation. o be successful, the industry be- eves, this revolution will need a arshalling force that "will tell an what is in vogue and thereby hange his apathy toward being ell dressed."

Men's Fashion Leader?

To combat the disunity of style eadership, the Men's Fashion Guild as lately undertaken to coordinate ll style news to the male public so hat magazines and newspapers ay at least agree on what is cur- ent fashion in men's wear. To ccomplish this objective, the Guild as organized a fashion committee f industry leaders to function, it is oped, somewhat like the fashion ictators of the women's wear in- ustry who, in less time than it akes to page through a copy of Vogue, can lower several million kirts from knee to ankle.

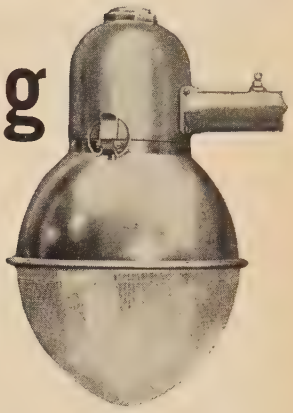
There are other signs heralding he approach of the fashion forces. ast month, for example, the Na- ional Association of Wool Manu- acturers awarded its first "Golden Ram," an annual distinction that s henceforth to be conferred upon nen of industry, arts and pro- essions who distinguish themselves s outstanding style leaders. On still nother front, the National Asso- iation of Shirt and Pajama Manu- acturers is planning a nationwide ampaign to make men more con- cious of the latest slumber styles. The drive will be aimed at pre- enting menfolk from shedding ajamas in summertime and will ress the comfort of napping in eeping coats and sleeping shorts f nylon and similar lightweight abrics.

About the only time the average

NEW!

LOW COST— HIGH INTENSITY

Exterior Lighting

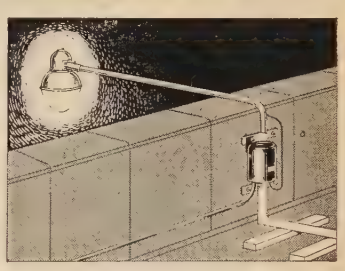


IDEAL FOR STORE FRONTS
PARKING AREAS
PROTECTIVE LIGHTING
SCHOOL YARDS
TRUCKING TERMINALS
USED CAR LOTS

Mercury Vapor is the biggest single lighting advance in years! Merchants report that this high-intensity lumination—practically daylight brightness—is proving a big factor in increasing business. Low current cost is another important feature. This latest type Mercury Vapor Lamp provides almost 300% more lighting efficiency than conventional incandescent lighting. Construction is completely weather proof and rust proof. Simple to install and maintain. See it now at Englewood!

Can be installed with time clock, with automatic compensation for seasonal changes.

Immediately available from stock, including component parts.



View of simplified Mercury Vapor Flood Lamp installation.

PURCHASING AGENTS AND PLANT ENGINEERS! We provide a complete, advisory planned lighting service covering layouts and engineering data. Call or write now for this Englewood service.

3 COMPLETE WAREHOUSE STOCKS TO SERVE YOU BEST

EXCELLENCE IN ELECTRICAL PRODUCTS

Englewood ELECTRICAL SUPPLY CO.

- **CHICAGO** 5801 S. Halsted St., Englewood 4-7500
- **ROCKFORD** 124 N. First St., Rockford 3-5441
- **SOUTH BEND** 325 N. Lafayette Blvd., Phone 4-1173

Constructive ADVERTISING

Planned
Created...
and "Put to Work"

For Better Results

If you are not satisfied with the results you are getting from your present advertising, we welcome the opportunity of discussing your problem with you. Our competent and experienced staff can develop a program, complete in every phase, on any product or service that does not compete with our present clients.

Recognized by: ANPA • APA • PPA • ABP

The Advertising Corporation

T. W. Merrill, President
176 West Adams St., Chicago 3
Phones—Central 6-3313—3472

Yes, that's true! Hundreds of firms catering to the public have experienced it. The *additional* business resulting from air conditioning quickly pays for the unit. Profits also increase due to greater employee efficiency, less soilage and spoilage, saving in cleaning bills, etc. So don't hesitate about the *cost* of air conditioning. Your small investment pays big profits. Have us give you a free estimate on equipping your place with a WORTHINGTON Package Air Conditioner, made by the company with the longest experience in the business.

WORTHINGTON

MID-WEST HEAT SERVICE
Air Cooling Division — Distributors
WORTHINGTON DISTRIBUTORS
3336 W. Franklin Blvd. Chicago 24
NEvada 2-3200

The Inland Steel Company's new ore carrier, the "Wilfred Sykes" which went into service April 20, established many firsts. It is the first Great Lakes ore carrier built since before the war; it is the largest ship ever built on the Great Lakes, 678 feet in length; it is built to carry a record tonnage, 21,500 long tons at summer draft; has the greatest speed of any ore carrier, 16.5 miles per hour loaded; and has the most powerful engines of any ore carrier, 7,000 horsepower. The Sykes is constructed to carry twice as much ore in a season as a typical vessel in the Great Lakes fleet of 260 ore boats and will be able to make 44 round trips during the season as against 34 average for the rest of the fleet. Built at a cost of $5,000,000, she is named for Wilfred Sykes, former president of Inland Steel and now chairman of its executive committee, who was president of the Chicago Association of Commerce and Industry in 1947 and 1948.

male begins to show even a trace of originality, haberdashers say, is when he dons sports clothes. In this field the industry believes it has an entering wedge from which it can expand vivid coloring and distinctive styling into the more conventional fields of evening, business and bedtime wear.

The sport shirt studded with palm trees or jungle foliage is certainly one garment that the industry has finally managed to add to several million male wardrobes. Already the heavily-promoted sports shirt has begun nudging the traditional dress shirt for top preference. In 1947, some 12,500,000 dozen dress shirts were manufactured compared with 4,500,000 dozen sports shirts. This year's estimates are that dress shirt production will have dropped to around 7,900,000 dozen, while sports shirts will have climbed to 7,300,000 dozen.

Resort wear generally will be more brilliant than ever this year. Already appearing on the counters of upper-priced men's retail stores are cardinal red walking shorts, polka dot French voile shirts and slip-over moccasins with swishy tassels. If this is treason, the haberdashers plan to make the most of it. They draw considerable encouragement from the fact that Henry Ford II and other notables of industry and society were photographed in such cheery items of apparel in Palm Beach and Nassau during the past winter season.

Meanwhile, the more forward looking segments of the haberdashery trade have begun chiding retailers who, themselves, display what they regard as an uncooperative degree of conservatism. Too many of these fastidious retailers, the argument goes, understyle their merchandise, concentrating instead on trade-dubbed "sure-fire staples" like blue serge, oxford gray flannel and worsteds. To participate in the hoped-for men's clothing revolution, these higher-priced institutions are being encouraged to promote such semi-radical ideas as the "coordinated color wardrobe."

Another promotional device scheduled for this year by a number of clothiers will be a subtle invitation to wives (who ostensibly are more style-conscious) to join their husbands when the latter are engaged in buying. Among other things, a number of men's stores

re to be equipped with attractive lounge chairs from which vantage point the style-conscious wife may gently prod the backward male into less constrained and more tasteful purchasing.

One evidence that men actually are receptive to style leadership, haberdashers believe, is the rapid revival of made-to-measure tailoring throughout the country. Currently, custom tailoring is being promoted on the widest scale since prewar and, according to the trade, customer response has been excellent.

Some special order departments are equipped with tailors to take measurements; others have installed the widely-publicized "Photo Metric fitting" by which measurements are recorded by photograph. Other stores give the customer a choice of 50 to 80 different suit models and 500 to 600 patterns.

Meanwhile, the campaign to instill new vigor into the lagging haberdashery business has produced a variety of individual efforts toward colorful salesmenship. Such bargain and special-offer sales involve no industry-wide promotion pattern, but they have managed to move merchandise despite the seeming apathy among buyers.

This Spring, for example, Wallach's in New York offered a price guarantee plan on lightweight Summer suits. Early buyers were assured that if prices changed before the billing date of June 15, they would be given the benefit of reductions and be safeguarded against possible price rises. The inducement produced a heavy volume.

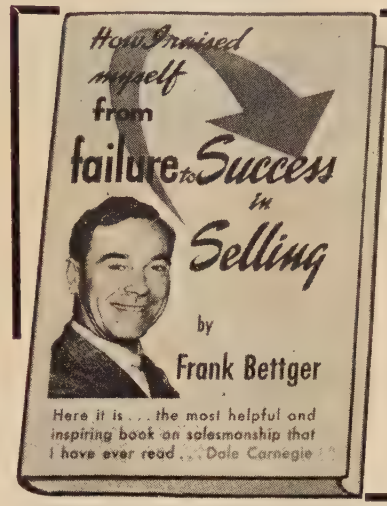
Spring Sales

In addition, many retailers have snapped up distressed lots of suits, shirts and topcoats from manufacturers and have been all but snowed under by the rush of customers. Recently, Filene's in Boston sold 6,000 overcoats and suits in two hours at $11—cash and carry. Bullock's in Los Angeles sold 2,000 specially-purchased pairs of slacks in two days at $13 each or two for $24.

Stores that pushed gabardine suits for men this spring did a tremendous business. One moved all but 200 of 5,000 regularly-priced gabardine suits for the first week in April. Many a seasoned retailer

Kroch's invites you to accept . . .

for 10 DAY TRIAL—a copy of . . .



a remarkable story of sales achievement

"HOW I RAISED MYSELF from FAILURE to SUCCESS in SELLING"

by FRANK BETTGER

"Accept this volume for a 10 day trial. Of all books on salesmanship, this is the most remarkable one I've read in all my years of business experience. It is sales-making dynamite!"—*Carl A. Kroch.*

★

Eddie Rickenbacker, President, Eastern Airlines, says: "It has stimulated our entire sales force. I have never seen anything that has caused more enthusiastic comment from our entire sales organization."

★

Zenn Kaufman, Merchandising Director, Philip Morris & Co., Ltd., says: "A swell job . . . should be helpful to anyone who is interested in selling—and that covers most of us."

★

George R. Wallace, President, Fitchburg Paper Co., says: "If I couldn't get another copy I wouldn't give mine up for thousands of dollars. I don't know of anything I could have used with our salesmen that could have done more for their development and success in sales."

★

Robert Stone, Vice President, National Research Bureau, says: "One of the best books ever written on selling. Send me another copy right away—I want to give it to a friend. This book should triple his income in three months."

★

Dale Carnegie says: "I would gladly have walked from Chicago to New York to get a copy of this book, if it had been available when I started out to sell.

"I met Frank Bettger when he was 29 years of age, trying to sell life insurance, and was a total failure as a salesman. Yet during the next twelve years, he made enough money to purchase a $70,000 country estate, and could have retired at forty! I know. I saw it happen. I saw him rise from a total failure to one of the most successful and highest paid salesmen in America."

You have never seen a book like this before! It is Frank Bettger's personal story of how he rose from a penniless failure to become one of the highest paid salesmen in America today. He tells how any salesman can double or treble his income—turn disappointments into triumphs—close a greater percentage of sales—make more sales calls each day. He gives precise directions on how to **multiply your earning power** with the down-to-earth ideas and practical sales techniques he discovered. Take a look at these first-time-in-print topics:

- How One Idea Multiplied My Income and Happiness
- This Idea Put Me Back Into Selling After I Had Quit
- One Thing I Did That Helped Me Destroy the Biggest Enemy I Ever Had to Face
- The Only Way I Could Get Myself Organized
- The Biggest Lesson I Ever Learned About Creating Confidence
- How to Get Kicked Out!
- I Became More Welcome Everywhere When I Did This
- The Biggest Reason Why Salesmen Lose Business
- A $250,000 Sale in 15 Minutes
- This Interview Taught Me How to Overcome My Fear of Approaching Big Men
- How I Learned to Find the Most Important Reason Why a Man Should Buy
- The Most Important Word I Have Found in Selling
- How I Find the Hidden Objection
- The Secret of Making Appointments
- How to Let the Customer Help You Make the Sale
- Seven Rules I Use in Closing the Sale
- An Amazing Closing Technique I Learned from a Master Salesman

YOUR SATISFACTION GUARANTEED—OR YOUR MONEY BACK

You must be satisfied with this book or you can return it within ten days for a full refund of the purchase price of $3.95. Read it, see for yourself that Frank Bettger's ideas and sales-making discoveries will give you an exciting experience that may revolutionize your entire life. You take no risk, so send the coupon below for your copy now.

KROCH'S BOOKSTORES, INC.
206 North Michigan Ave. 17 North LaSalle St.
Chicago, Illinois

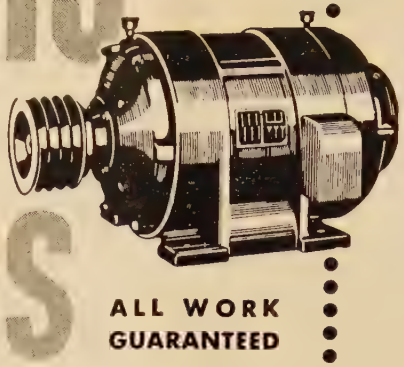
Please send me.....copies of "How I Raised Myself From Failure to Success in Selling" by Frank Bettger. If I am not completely satisfied, I may return the book within ten days for a full refund of the purchase price, $3.95.

☐ Charge my regular account ☐ Remittance enclosed

Name .....

Address .....

City ..... Zone ..... State .....

MOTORS
OF ALL TYPES AND SIZES

REPAIRS
ALL WORK GUARANTEED
STATOR AND ARMATURE WINDING
NEW AND RECONDITIONED
ALL PHONES: ARMITAGE 6-8300
SIEVERT ELECTRIC CO.
INC.
Since 1914
ELECTRICAL-MECHANICAL EQUIPMENT & SERVICE FOR ALL INDUSTRIES
1333-51 BAUWANS STREET • CHICAGO 22, ILL.

GEORGE M. LORENZ STEEL CO.
MILL & WAREHOUSE DELIVERIES
SHEET STEEL
COLD ROLLED STRIP IN CUT LENGTHS & COILS
HOT ROLLED STRIP
H.R. PICKLED STRIP
WELDED TUBING
TIN PLATE
TIN MILL BLACK PLATE
HOT ROLLED ANNEALED
HOT ROLLED PICKLED
AUTO BODY
ROUND EDGING
GALVANIZED SHEETS
STAINLESS STEEL TUBING
BLACK & GALVANIZED PIPE & TUBING
WE SHEAR OR SLIT TO EXACT SIZE OR BLANK
HAymarket 1-0461
2400 W. MADISON AVE.

believes these are indications that men will increase their clothing purchases if given the incentive of price, style, quality or service, and—more important—if retailers sharpen up their merchandising techniques.

While sales of women's apparel have held up better in the past few years than men's wear sales, the early months of this year brought a distinct change. In February, for example, sales of men's and boys' clothing slipped only 3.5 per cent below last year in department stores in the 7th Federal Reserve District. Meanwhile, sales of women's wear fell 15.7 per cent during the same month.

A Trend, Maybe?

Is this a trend, or merely a temporary improvement in the haberdashery business? The men's wear industry would like to think it is a trend, but the 20-year relative decline in their business is a difficult thing to reverse. The industry for years has been reaching for a rosy dreamworld that would find menfolk as easily guided fashionwise as are women. It hasn't happened yet, and thus the sales charts continue to trend downward and the blue serge goes on year after year the staple that's worn threadbare before it is discarded.

A taste of this dreamworld of what might be was envisioned early this year at an exhibit staged in New York by the Costume Institute of the Metropolitan Museum of Art. It was called "Adam in the Looking Glass" and it depicted men's apparel from the robust days of knights in armor through Mid-Victorian elegance and into the obscure future. As for the future, a dozen leading designers of women's wear—including Hattie Carnegie, Lilly Dache and Sophie of Sak's—offered their versions of what the men of tomorrow will eventually wear.

This eye-opening picture of things to come included a polka-dot linen Eisenhower jacket to be complemented by a red beret, a mess jacket with velveteen lapels, and red calfskin playshoes. If nothing else, the exhibit established the fact that the American male is still a long way from being a Beau Brummel, at least as that creature is visualized by the dictators of the women's fashion world.

Invest in the MIDDLE WEST

Reviews of Middle-western Companies

By DANIEL F. NICHOLSON

IN THE current era of widespread engineering and technical excellence, the essential element to success for most manufacturing companies is a somewhat intangible factor called merchandising ability. To the extent that this principle is true, a line from the 1949 annual report of the Crane Co. is particularly significant. "Sales of Jobbed Products,' that is, products manufactured by others, accounted for approximately 51 per cent of total net sales," the report stated. A decade ago, jobbed products represented about one-third of total sales.

Crane Co., established 95 years ago, is one of America's oldest manufacturing firms, and its products have long held a reputation for high quality. Each year the company spends large sums on research and product development and improvement to maintain its leadership. But in addition Crane has built up a distribution organization of exceptional strength.

At the end of 1949 the company was operating 134 sales branch houses, including five opened during the year, and had associated with it 574 wholesalers that stock Crane products. Nineteen fifty plans call for both of these figures to be increased.

Additional Jobbed Lines

While the addition of jobbed product lines complementary to the Crane lines was a logical development since one line helped to sell the other, the company has taken on other products that are not directly related. For example, a sizable business is now done in industrial paints. Since the end of World War II Crane Co. has been approached by many other manufacturers to act as distributor of their products.

Crane's own products fall into three major categories: valves and fittings for industry, plumbing fixtures, and heating equipment. The company is the leading producer of valves and fittings. The valves range from a fraction of an inch in diameter to huge equipment taller than a man. In addition, the industrial division makes pressure regulators, and steam and oil separators. These items and related jobbed products are used extensively by utilities, railroads, and in such industries as oil, steel, shipbuilding and others where the flow of liquid or gas is placed under control. Recent additions to these lines are diaphragm valves and pressure seal bonnet valves. The diaphragm valves, manufactured in an improved design, "offer an extended period of efficient performance in controlling the flow of liquids, gases, and corrosive fluids," the 1949 annual report states. The bonnet valves are described as capable of accommodating record-high steam temperatures and pressures.

Plumbing Fixtures

Most familiar to the general public are the Crane plumbing fixtures such as bathtubs, water closets, lavatories, sinks, laundry tubs, drinking fountains. The company has been an outstanding leader in style and technical improvements in the plumbing field. The Crane products are made of vitreous china, porcelain enameled iron and the high performance "Duraclay." The company does not manufacture enameled pressed steel plumbing products but has a substantial minority stock ownership in Alliance Ware, Inc., of Alliance, O., and acts as non-exclusive distributor for that company's pressed steel lines.

Duraclay is the Crane trade name for ware made of special high-fired clay. Bathtubs, sinks and laundry tubs made of this material

One La Salle Street

Here, at the center of Chicago's financial, life insurance, legal, and commercial activities, skill and expert scientific planning have created a modern business setting of outstanding distinction. The many prominent tenants of this great building appreciate, not only this factor of central location, but also the high standards of service, maintained for their comfort and convenience, making One La Salle Street an address of prestige. For all who seek downtown office space, the special advantages afforded at One La Salle Street are worthy of first consideration.

L. J. Sheridan & Co.
Agents

One La Salle St., Chicago - ANdover 3-7457

Improves employee relations

CONSULT:

First Federal on Payroll Savings Program for Your Employees

★

First Federal Savings AND LOAN ASSOCIATION

1 South Dearborn

Phone FI 6-3500

Locate Now . . .

in the newly modernized

TERMINALS BUILDING

533-37 So. Dearborn St.

Convenient to loop and transportation

Away from congestion

Reasonable Rentals

Inquire now . .

WAbash 2-2984

H. J. McNEILLY & COMPANY

are impervious to corrosive chemicals, have high resistance to shock, and can stand up under repeated thermal "shock" from alternate severe heat and cold. A major market for Duraclay is in hospitals.

An extensive line of "related" items are sold by Crane Co. along with the plumbing fixtures. These include kitchen cabinets, garbage disposal units, dish washers, kitchen fans, gas and electric ranges, medicine cabinets, and bathroom scales.

Produces Boilers

The company manufactures domestic boilers fueled by oil, gas and coal, and distributes oil burners and stokers. It will soon enter the warm air furnace field with a "revolutionary" new furnace called the "Jet-Heet" unit. This unit, about the size and shape of a home quick freeze cabinet, is designed for small and medium size houses. Heat is distributed in two-inch insulated tubes, in contrast to the large ducts ordinarily associated with warm air heating, and no return cold air ducts are required.

Crane Co.'s sales and earnings declined considerably last year after setting new records in 1948. Net sales of $174,894,798 were down 21½ per cent from the all-time high of $222,825,206 for 1948, while net profits dropped 48.9 per cent, or from $15,666,719 to $8,011,887. The latter figure was equal to $3.17 a share after allowing for preferred dividend requirements, and compared with $6.42 a share earned in 1948. The decline in sales was attributed to a lower potential market for products going into industrial production, and to the liquidation of inventories accumulated during the period of postwar shortages by dealers. At the present time the company believes that inventory liquidation has been carried to the point where stocks would be inadequate to meet any large increase in demand. The outlook for 1950 is somewhat mixed, with residential construction expected to be as large as in 1949 if not larger, and industrial construction expected to decline. Actual residential construction thus far this year has been much larger than in the corresponding period of 1949. The Bureau of Labor Statistics reported an increase of 59 per cent in the first quarter a compared with the first thre months last year, with March th best home building month in hi tory. Despite this activity, Cran Co.'s sales in the first quarter c 1950 were 18 per cent lower tha for the 1949 quarter, but recentl have begun to compare mor favorably, a company spokesma reports.

The decline in profits last yea the company stated, reflected nc only the reduction of sales volum but also a further reduction i production levels because of in ventory liquidation by the com pany. Earnings were also affecte by lower prices on practically al of the company's products, highe average labor rates, and increase freight costs.

During 1949 inventories were re duced by $9,516,709, or 22 pe cent, and amounted to $32,702,89 at the year's end. The compan considers present prices for its in dustrial products to be too low This situation is attributed t price cutting by uneconomic plant that were established during th war and are now trying to sta in business.

Bigger Foreign Dividends

The profit showing for 1949 wa helped by an increase in dividend received from foreign subsidiarie to $3,073,465 as compared wit $2,155,224 in 1948, and by a re duction in the amount set asid toward "future payments in recog nition of past services of employes' to $1,000,000 from $2,500,000 tha year before. Crane Company ha had an informal pension plan fo many years but is now negotiating a formal plan with union repre sentatives. The adoption of such a plan is expected to cause an in crease in costs, the company states

The company ended the yea 1949 in excellent financial condi tion. Net working capital at the year-end amounted to $78,732,040 an increase of $4,404,592 for the year, and total current assets of $87,617,896 were 9.86 times the total current liabilities of $8,885, 856. Included in current assets were cash of $15,288,022 and U. S. government securities of $23,823,182.

Other major assets at the end of 1949 included investments in foreign subsidiary not consolidated, at cost, $12,000,000, and fixed as-

ets carried at net depreciated value of $40,022,198. Total assets mounted to $141,062,783. The Crane plants are located in Chicago, Chattanooga, Tenn., and Trenton, N. J. Through a Canadian subsidiary, Crane Limited, the company operates five plants in Canada and one in England, as well as numerous branch houses in those countries.

Crane Company has no funded debt. Outstanding capitalization at December 31, 1949, consisted of 150,476 shares of $100 par value 3¾ per cent preferred stock, including 3,226 shares held in the treasury for retirement, and 2,348,528 shares of $25 par value common stock. Minority interest in subsidiary companies amounted to $1,228,307. The preferred stock to a total of 160,000 shares was offered to the public in July, 1945. The proceeds of $15,914,560 and other cash was used to retire 192,803 shares of 5 per cent convertible preferred stock.

The company's dividend policy has been conservative during the recent years of high earnings. During 1948, for example, payments on the common stock were $3 a share, or less than one half the earnings per share—the junior stock. In 1949 the company distributed $2.25 a share on the common, consisting of four quarterly payments of 40 cents each and a year-end extra of 65 cents a share. Payments in other recent years were: 1947—$2.60; 1946—$1.75; 1945—$1.25; 1944—$1.50; and 1941 to 1943—$1.

The common stock is listed on the Midwest Stock Exchange and the New York Stock Exchange.

Magic of Chemurgy

(Continued from page 14)

such end products as nylon, plastics, shoe dyes, solvents for purifying lubricating oils and synthetic resins. One firm alone is using 100,000 tons of corn cobs annually to produce furfural.

Along with bumper corn crops of recent years, the wheat harvest has annually filled the nation's grain bins to overflowing. Chemurgy, however, has moved into the wheat belt of Kansas and Nebraska just as in the cornbelt of Indiana, Illinois and Iowa.

Scientists at research laborato-

PLANNING

Plant Expansion or Modernization ?

Get the Benefit of CRESCENT ELECTRIC'S Extra Assurance Plan

No matter what your project, whether it be modernizing, expanding, or new and original construction, your electrical requirements must satisfy every operating condition.

Keep in mind that the EXTRA ASSURANCE PLAN of the Crescent Electric Co. goes far beyond what is usually expected of an electrical contractor. After a thorough consultation and study of your electrical requirements, you receive from us at no obligation on your part, a quotation on the cost of "air-tight" plans and specifications covering your particular electrical requirements. For your convenience, this is for your use in obtaining other competitive bids. If it is then your decision to award the contract to us, the only charge to you is on the competitive quotation price only.

This extra Crescent Electric service places us in no advantageous position over competition, as we absorb the additional cost of the survey, plans and specifications over our competitors' cost. The EXTRA ASSURANCE PLAN assures us, as well as our competitors, that we are each figuring against fair and honest competition and — it is YOUR ASSURANCE of a satisfactory selection of electrical contractor.

Our EXTRA ASSURANCE PLAN covering electrical requirements on all types of projects — from the smallest alteration job to the largest of new plant installations — is available to you. A discussion with us might be well worth-while in your case.

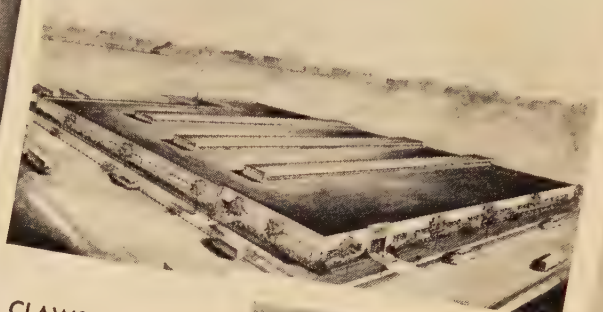
Backed by 43 years of continuous know-how experience

CRESCENT ELECTRIC CO.
(Not Inc.)

CONTRACTING ELECTRICAL ENGINEERS
WESTINGHOUSE INDUSTRIAL AGENTS

1755 Armitage Avenue, Chicago 22, Telephone HUmboldt 9-2414

THERE ARE GOOD REASONS
WHY INDUSTRY IS MOVING TO
KENWOOD INDUSTRIAL DISTRICT



CLAWSON & BALS INC.
Auto Parts manufacturer

WARD STEEL COMPANY
Distributors of steel springs

INTERNATIONAL ROLLING MILL PRODUCTS CORP.
Steel fabricating and warehousing

These and other progressive firms are moving to Kenwood because it is a completely facilitated district for industry. It is served by two Belt Railroads, street car and bus transportation to the door, excellent labor supply, ample provision for all utilities. You too can have a new plant built to your exact requirements and financed on either a purchase contract or long term lease.

For full particulars write or call

J. H. VAN VLISSINGEN & CO.

RA ndolph 6-4042

120 South La Salle Street, Chicago 3, Illinois

PHIPPS INDUSTRIAL LAND TRUST — Owners

ries of General Mills have recently developed a new resin from wheat known as Allyl starch, a product which may eventually replace shellac. It has a hard, mar-resistant, finish that will stand up under water and most solvents. It can be used in fast-drying inks and as a protective coating for marine and industrial equipment. Ship funnels, smoke stacks, baking ovens, automobile exhaust pipes and even beer cans may soon be coated with Allyl starch.

Despite the fact that its roots extend back to pre-historic man, chemurgy is still one of our younger sciences. During the past decade more has been learned than ever before about the possibilities of utilizing agricultural products for non-food products. Nevertheless, there are still considerably more questions involving chemurgy left to be answered than have been answered so far. Interest in the field is growing steadily, as more and more scientific facilities are dovetailed into the absorbing field of exploration.

Aid To Farmers

There are some scientists who believe that chemurgy will be a crucial factor in the future of the nation's agriculture economy. Their theory is that if the farm community is to operate upon a competitive basis again, free of federal subsidy support, some new element must be brought into the picture that will utilize the recurring surpluses of many crops. Ultimately, chemurgy may well be that agency for improving the fundamental structure of our farm economy.

One organization which thinks so is the National Farm Chemurgic Council, founded in 1935 by a group of scientists and industrialists who believe that chemurgy offers a program for coordinating the efforts of science, agriculture and industry to offset the natural variations in annual crop production. Today, the council sums up its idea of the future of chemurgy in these words: "The annually renewable new wealth from fully utilized crops affords the world's greatest hope for producing that constantly increasing abundance which is the first essential to peace and prosperity for men and nations."

INDUSTRIAL DEVELOPMENTS

IN THE CHICAGO AREA

INVESTMENTS in industrial facilities in the Chicago industrial area during April totaled $36,134,000, which brings the total for the first four months of 1950 to $107,059,000. Total investments in April were the largest in any month since August, 1942, and for the first four months the total was more than for the entire year of 1949. Total investments during April, 1949 were $6,759,000 and for the first four months of 1949, $35,395,000. These developments included expenditures for the construction of new plants, expansions of existing manufacturing facilities and the acquisition of land or buildings for industrial purposes.

Carnegie-Illinois Steel Corporation will expand its facilities at the South Works, Gary Works and the Gary Sheet and Tin Mill. A fourth electrolytic tinning line and a continuous annealing furnace will be installed at the Gary Sheet and Tin Mill, as well as auxiliary buildings and equipment. Extensive improvements will be made on the 44-inch slabbing mill at the South Works. In addition, the ingot stripping building and the number four open hearth shop will be expanded and modernized.

Youngstown Sheet and Tube Company, which operates two plants in the Chicago area, one in South Chicago and the other in East Chicago at Indiana Harbor, will expand its capacity. A new pipe mill and other improvements will make up a multi-million dollar expansion which is scheduled to be completed this year. In addition, buildings will be constructed and additional rolling mill equipment acquired.

Bigelow-Sanford Carpet Company, Inc., is constructing a large warehouse, which will contain 110,000 square feet of floor area, in the Crawford section of the Central Manufacturing District. A. Epstein and Sons, engineer.

Harris-Hub Bed and Spring Company, 1315 South 55th court, Cicero, has purchased the 350,000 square foot plant formerly operated by the American Stove Company in Harvey, Ill. The plant is situated on 14½ acres of land at 156th street. Harris-Hub makes kitchen cabinets, metal bedding specialties, summer furniture and institutional furniture.

David E. Kennedy, Inc., 4532 S. Kolin avenue, manufacturer of asphalt tile, is constructing a 60,000 square foot addition to its plant. A. Epstein and Sons, engineer.

Sylvania Electric Products, Inc., manufacturer of electric lighting equipment, has purchased the building at 3450 W. Division street and is making extensive alterations. The building, which contains approximately 400,000 square feet of floor area, will be the midwest headquarters of the company.

Puritan Company of America, 1200 W. 37th street, is constructing a 30,000 square foot warehouse on its premises. The structure will contain 30,000 square feet of floor area, 5,000 of which will be freezer space. The company makes fruit juices and other food products. A. Epstein and Sons, engineer.

Certified Grocers of America, Inc., 3243 S. Kedzie avenue, is constructing a warehouse and office building on south Central avenue and 48th street in Stickney township. J. Emil Anderson and Sons, general contractor.

J. W. Johnson Company, 1237 N. Honore street, is constructing a factory in Bellwood, Ill., which

SIMPLEX WINDOW CLEANING CO. INC.
300 W. Randolph St. FRanklin 2-1160

HEAT TREATING
FRED SNOW STEEL TREATING CO.
1954 W. Kinzie St.
Ask for Mr. LeRoy—Tel. SEeley 3-2662

B. E. WEBER CO., INC.
CASTERS and WHEELS
Industrial and Warehouse Trucks
1151 S. Mayfield Ave. Chicago 44
EStebrook 8-7040

COUNSELING & TESTING
Executive and Sales Personnel
Leroy N. Vernon, Ph.D.
INDUSTRIAL PSYCHOLOGIST
THE PERSONNEL LABORATORY
LA SALLE-WACKER BLDG. • CHICAGO

BATTEY & CHILDS
ENGINEERS - ARCHITECTS
Complete Service for Industry
231 So. LaSalle St., Chicago 4, Illinois

WHEEL CHAIRS
Surgical—Hospital
First Aid Supplies
V. MUELLER & CO.
Phone SEeley 3-2180
408 So. Honore St.
CHICAGO 12

Industrial Institutional
GENERAL CONTRACTORS
Additions, Remodeling, Alterations
E. L. Archibald Co. Est. 1916
79 W. Monroe St. FRanklin 2-0274
24 Hr. Telephone Service
Residential Commercial

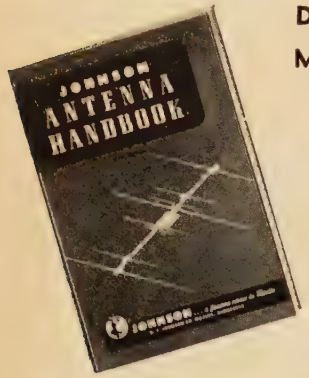
SEeley 3-2765
THE HAINES COMPANY
CONTRACTORS
FOR
VENTILATION & AIR CONDITIONING
DUST & FUME REMOVAL SYSTEMS
MATERIAL CONVEYING
SHEET METAL FABRICATORS
WELDING
1931 W. LAKE ST. • CHICAGO 12

Are PRINTING Prices Getting You Down . . .

. . . then try the JOURNAL for your next printing requirement

Write for quotations and samples

You will be surprised at the high quality and low prices



Directories
Magazines
Catalogs
Folders
Books

"The Catalog and Publication Specialists"

JOURNAL Publishing Co.
WASECA, MINNESOTA

will contain approximately 50,000 square feet of floor area. The company manufactures canvas products such as tents, awnings and tarpaulins. J. Emil Anderson and Sons, general contractor.

Kinkead Industries, Inc., 450 W. Superior street, has started construction of a small unit at 5900 N. Pulaski road, which will be used for the production of aluminum extrusions.

Lake-River Terminals, Inc., Harlem avenue and the Illinois Waterway, is constructing a canning and drumming plant on a 10-acre site.

Champion Parts Rebuilding Company has purchased the two-story 18,000 square foot building at 1314 W. 21st street. The company manufactures carburetors. J. J. Harrington and Company, broker.

American Manganese Steel Division of American Brake Shoe Company, will construct a brick and steel addition to its plant in Chicago Heights.

Kenmorlin Building Corporation has purchased a one-half acre site at St. Louis avenue south of Howard Street, on which it will construct a one-story factory, which will contain approximately 8,000 square feet of floor area.

Meaden Screw Products Company, 2310 S. Kedzie avenue, is constructing a plant at 3000 S. Kilbourn avenue. The plant will contain 12,000 square feet of floor space. Campbell-Lowrie-Lautermilch Corporation, general contractor.

Rock Tred Corporation, 629 W. Washington street, has started construction of a factory building in Skokie. The structure, which will contain approximately 12,000 square feet of floor area, will be used in producing floor surfacing materials, caulking and sealing compounds and paints.

Dulane Manufacturing Company was erroneously reported in March as having purchased the building at 8550 W. Grand avenue in River Grove. The company leases the premises.

Prosperity---Superficial?

(Continued from page 22)

is now possible and might run to a considerable number of percentage points. This is just another way of saying that, while this is a vital area of expenditure, it is also an area in which expenditures in the main fall into the class of those most "postponable."

The things I have been discussing do not necessarily presage a business depression either in late 1950 or at any other time. I have simply sketched five points that seem to me significant in the current business picture and that do not seem to be convincingly covered in some accounts of the current tide of prosperity. I do take responsibility for having suggested in this analysis that in some regards the runner seems to be drawing upon future reserves of strength for the maintenance of the present pace.

Whether business will be greatly impressed with the sweet overtures recently made by the administration and will operate on a confidence in and responsibility for progressivism derived from this confident leadership remains to be seen. And no one can tell whether one or another cause of uncertainty, if it becomes a factor in decision in certain quarters, will then spread

mental contagion, so that sober concern gives way to apprehension, that apprehension turns to jitters, and jitters engender panic. But we do know that the great business public in a free enterprise system is a mighty skittish animal and that blind behavioristic fear, once started, can stampede even an intelligent people of high average education in truly terrifying ways.

This leads me to the last observation that I wish to make. As I read the history of our own past and annals of other countries, I am impressed with the fact that one point from which influences of the most deep-reaching and far-reaching sort emanate and the point also at which, given intelligence and determination, measures of protection and stabilization can be applied is in connection with the fiscal and monetary operations of the government. Whatever debate may rage, as to whether the government is called upon to do this or estopped from doing that, there is no debate about the constitutional mandate to maintain a sound and adequate currency.

It is obvious that this task has been rendered difficult by the events of a second world war within a generation and one in which and in its aftermath we were called upon to bear the brunt of the financial burden. We need not be too ashamed of the way in which, amid the terrific pressure of fast-moving war developments, we provided the sinews of war and got the job done.

Fiscal Policy

We may be less complacent as to the intelligence and fortitude with which we have faced the task of strengthening our financial affairs since the war, assisting the country to get on a workable set of wage-price relationships, on a new price level consistent with the existence of that large debt. Measures that forced the level too low would be deflationary and constrictive to the economy. Measures that permitted a level too high would be inflationary and, although they eased immediate tensions, would compound longer-run problems and invite the possibility that the whole system may get out of hand. This is the fundamental factor in the business situation of 1950 which, in my judgment, underlies the superficial manifestations of current prosperity and which may challenge and quite possibly upset the whole prospect in the not distant future.

Fiscal policy and monetary theory are somewhat abstruse matters in their full detail. I think, however, that without misleading oversimplification the essentials of the present situation may be reduced to brief form. The administration avows a balanced budget policy, meaning a budget balanced over a period of time reasonably fitted to the ups and downs of business operation, and the exigencies of government. It talks of a compensatory budget in the sense of public support operations in time of national emergency or general depression. If such a policy of balancing the books and maintaining the confidence of the people is carried out, it calls for the accumulation of sizable Treasury surpluses in years of high prosperity that the debt may be prudently managed, the credit position of the country improved, and reserves accumulated to permit of support operations in depression

A. J. BOYNTON AND COMPANY
Engineers and Technical Counselors
58 EAST WASHINGTON STREET
CHICAGO 2, ILL.

CALENDAR OF SERVICES

ENGINEERING For ELECTRICAL CONVERSION

Complete Technical Service Including Contract Negotiation and Supervision for the Owners or Agents of Industrial, Commercial and Apartment Property.

WISELY . . .
Or Only Generously?

It is estimated that some ten million dollars — perhaps more — are wasted in generous but unwise giving each year in Chicago.

Do you know that the Chicago Association of Commerce and Industry has a department which has up-to-date information on all drives and campaigns for funds by not-for-profit organizations?

This information is available instantly to every member of the Association by letter or phone call. Each year this service saves members who use it many times the cost of membership.

If you are not an Association member, ask concerning this and the many other Association services. Telephone or write Mr. L. A. Fay.

The Chicago Association of Commerce and Industry

One North La Salle Street FRanklin 2-7700

1859 1950

JACOB PRESS' SONS, INC.

MOTOR TRUCK EQUIPMENT

•

STEEL DUMP BODIES HYDRAULIC HOISTS

•

COMMERCIAL BODIES

•

PUBLIC UTILITY BODIES

•

LUMBER ROLL-OFF BODIES

•

REPAIRING PAINTING
LETTERING GRITBLASTING
INFRA-RED DRYING OF PAINT — over 1000 bulbs

•

RAILROAD DETECTOR CAR BODIES

•

GASOLINE AND FUEL OIL TANKS REPAIRED

•

STEEL FABRICATION
Shear capacity — ½" x 12'-0"
250 ton hydraulic press brake - 14'-0"

501 West 33rd Street . . . Chicago 16, Illinois

BOulevard 8-6182

Dependable Plating for 74 Years

Nickel Brass Copper Electro Tin

Electro Lead Electro Zinc Cadmium

Oxidizing Bright Nickel

Burnishing Deburring

MERCIL

First Name in Plating

ESTABLISHED 1876

B. MERCIL & SONS PLATING COMPANY

1901 to 1919 West Fulton St. Ph. SEeley 3-0102 Chicago 12, Ill.

or of meeting the financial strai of a cold war grown hot. Th worthy theory is completely stult fied by the spectacle of a Treasur deficit of 1.8 billion dollars in fisca 1949, the culminating year of th postwar inflationary boom and bl a financial program which calls fo deficits of at least 10.5 billion do lars for fiscal 1950 and 1951. Eve if the results proved no wors than the official estimates — an there are plenty of reasons to thin they might be worse — this would mean that in times of peace an prosperity, we were slipping int deficits as a way of life and tha the already gigantic debt force upon us by the late war would again be on the upward climb.

Inflation Stimulus?

Now, there are many people, an to my regret it includes quite a fe economists, who express no concer about this situation who aver tha inflation can be contained and tha a moderate amount of inflation i the mainspring of the lifeblood o the psychological stimulus tha makes a private enterprise syste work at full capacity. No one toda can demonstrate that they are wrong, because no country wit the same resources and possibilitie and problems as ours has ever gon through precisely this experience Even if one argues that there are basic similarities of disastrous in flationary collapses in other coun tries, it is responded that the pe culiar differences in our situation are more significant and that this time we can "get away" with the attempt. Personally, I do not see printing press money as a certain or even likely outcome of our pres ent situation, grave as I think it is. On the other hand, as I hear the way people who will be factors in this behavioristic process, from the cab driver to the big banker, from the small farmer to the executive in a giant corporation, I am im pressed with the fact that uncer tainty about the dollar is already gnawing at their thinking and may at any moment color the action of any one of these persons and, by rapid multiplication, become a na tional force that could seriously up set the comfortable process of post-

(Continued on page 41)

TRANSPORTATION and TRAFFIC

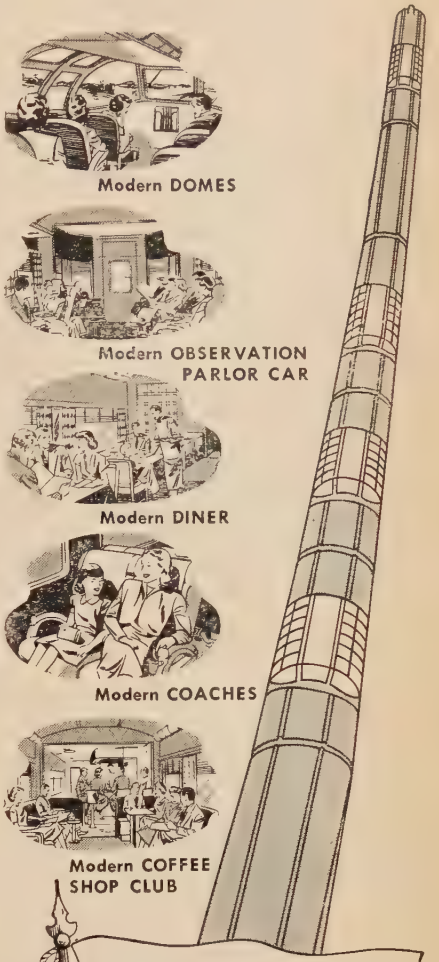
☆

THE Interstate Commerce Commission has postponed hearing in Docket 29770, Increased Less-Than-Carload Rates, Official Territory, from April 25, 1950, to June 27, 1950. The date for the filing of evidence has been extended to June 5, 1950. The request for postponement of the hearing was filed jointly by counsel for both the National Industrial Traffic League and the eastern railroads. Their letter to the commission stated that a substitute proposal for the matters presently involved in the proceeding was accepted by the league and that the carriers intended to publish substitute provisions in their tariffs, subject to possible protest and suspension. In view of this action, the letter points out, there would be no point in proceeding with the April 25 hearing. The substitute proposal provides for the establishment of the Docket No. 28300 scale of class rates on all less-carload traffic in Official territory and a minimum charge based on 100 pounds at the applicable rate, but not less than $2.00. The Docket No. 29770 proposal now pending before the commission provides for an increased scale of rates on less-carload traffic in Official territory; a minimum charge based on 100 pounds at the first class rate but not less than $2.25; a minimum rate of $1.00 when pick-up or delivery service is performed; and a minimum weight of 25 pounds for each piece or package of freight regardless of the weight of the shipment.

Eastern Railroads Rate Application Approved: In its report released March 17, the Interstate Commerce Commission approved, subject to certain modifications, the Section 5a rate procedure application of the eastern railroads. The commission withheld issuance of an order pending the railroads amending of the application to include certain terms and conditions specified in the report. These include, (1) elimination of the provision giving chairmen of committees the right to appeal action taken by their committee to the Traffic Executive Association, and the right of the chairman of the Traffic Executive Association to refer association action to the Presidents' Traffic Conference; (2) a change in the voting provisions to provide that issues will be determined by a majority vote of any committee; (3) elimination of the provision which would exclude public notice of proposals on coal and coke; and (4) inclusion of a provision that notice of intention to permit expiration of rates bearing an expiration date, which have been in effect for 15 months or longer, be placed on the public dockets. The eastern railroads application is the third such pact to win commission approval. The application of the Western Traffic Association filed on behalf of the western railroads became effective December 15, 1949, and the one of the Association of American Railroads covering per diem, mileage, storage and demurrage charges of all railroads was approved on February 28, 1950. Section 5a was added to the Interstate Commerce Act with the passage of the Reed-Bulwinkle Act by the 80th Congress, and exempts from anti-trust prosecution carrier rate making practices and procedures when approved by the Interstate Commerce Commission.

Extend Application of Chicago Rates: The General Rate Committee of Central and Southern Motor Freight Tariff Association, at their meeting in Louisville, Ky., on March 15, adopted a proposal to enlarge the application of Chicago rates published in the bureau's commodity tariffs No's. 2-G and

Most Modern Train in America!



MAIL COUPON for DETAILS

TOM M. HAYES, Passenger Traffic Manager,
WABASH RAILROAD,
Railway Exchange Building, St. Louis 1, Missouri

Please send free literature checked: — Folder, describing Wabash Blue Bird; — Wabash Timetable.

Name_____

Street_____

City_____ Zone____ State_____

There's NO Profit in Empty Chairs

Keep your place of business *busy* this summer by air-conditioning *now*. It's inexpensive with a Worthington Package Air Conditioner—cools, cleans, dehumidifies, circulates, ventilates in one 8 sq ft cabinet. Be ready for hot weather—get in touch with us today.

WORTHINGTON

PACKAGE AIR CONDITIONER

More Hours of Comfort per Penny of Cost

MID-WEST HEAT SERVICE
Air Cooling Division — Distributors
WORTHINGTON DISTRIBUTORS
3336 W. Franklin Blvd. Chicago 24
NEvada 2-3200

12-D. The committee's action will result in having the commodity rates applicable from or to Chicago extended to also apply from or to the following points in the Chicago area: Argo, Bellwood, Berwyn, Blue Island, Broadview, Calumet City, Chicago Heights, Cicero, Clearing, Evanston, Forest Park, Harvey, Hawthorne, Maywood, Mc Cook, Melrose Park, Oak Park, Park Ridge, Riverdale, River Forest, Riverside and Stickney in Illinois, and East Chicago, Gary, Hammond and Whiting in Indiana. The proposal, Docket No. 3000, was supported by the Chicago Association of Commerce and Industry before both the standing rate committee and general rate committee.

Court Asked to Vacate Lenoir and Schenley Orders: Three motor carriers have filed suit in a Virginia federal court asking that the orders of the Interstate Commerce Commission in the Lenoir Chair Company and Schenley Distillers Corporation cases be vacated and set aside. The commission's orders held that the truck operations of Lenoir and Schenley were incidental to and in furtherance of their primary business and not that of either a common or contract carrier.

Shippers Urge Adoption of Mixed Carload Rule: A large group of shippers appeared at the hearing before the executive committee of the Trans-Continental Freight Bureau on March 30 in Chicago to urge adoption of the liberalized Rule 10 on mixed carload shipments. Under the proposed rule, a mixed carload shipment would be charged for on the basis of actual weights and respective carload rates applicable to each commodity in the shipment. The evidence presented at the hearing will be reviewed at the May 18, 1950, meeting of the bureau's executive committee. The "streamlined" Rule 10 became effective December 1, 1949, on traffic from, to or within Western Trunk Line and Southwestern territories.

THE CHICAGO ASSOCIATION OF COMMERCE & INDUSTRY

GLEE CLUB

"One of the Outstanding Male Choruses of the Midwest"

●

Thirty-Eighth
ANNUAL SPRING CONCERT
May 25, 1950 8:15 PM
Orchestra Hall

●

GUEST SOLOIST
NANCY CARR
Star of WGN's Enchanted Hour and Chicago Theater of the Air

Conductor
LE ROY WETZEL

SEATS FOR ASSOCIATION MEMBERS RESERVED UP TO MAY 15, 1950
W. E. Cavell, Glee Club Treasurer
Chicago Association of Commerce and Industry
One N. La Salle St., Chicago 2, Ill.

Please send me ..... reserved seat tickets to the Annual Concert of the Glee Club. My check for $..... is enclosed.

(No.)	
Main Floor, Center . . $2 ea.	NAME
Main Floor, Sides . $1.50 ea.	
Balcony, Rows A-D $2 ea.	FIRM NAME
Balcony, Rows E-I . . $1.50 ea.	
Balcony, Rows J-S $1 ea.	STREET
Gallery, . 50c ea.	CITY, STATE

Trends In Finance and Business

(Continued from page 10)

production records being made and then promptly broken in the television industry have been no less impressive.

There is a fascinating paradox in the post-war records of these two industries. The auto people manufacture — in record quantities — an item to entice folks into the open, to send them off on fishing expeditions, vacations and Sunday afternoon sightseeing. The TV people manufacture — in record quantities — an item to keep folks nestled at their own hearthsides, content to leave the outer world to itself. Just what does the consumer want — hearthside or highway?

The contradiction is made all the more confusing by the fact that, despite the considerable increase in auto sales and the extensive replacement of older cars with spanking new models during the past few years, gasoline sales have increased very little over a year ago, even though the nation has enjoyed a warmer winter. These facts lend support to the possible conclusion that a good many auto buyers are just as happy to let the sleek new runabout stand in the driveway for the neighbors to admire, while the proud owners themselves hole up before the television set inside.

Here, There and Everywhere

(Continued from page 8)

al from May 17 to 20. The color-ul show draws visitors from all ver the nation who come to Holland to see more than eight miles of tulip-lined lanes, dozens f mass plantings in parks and oulevards, and acres of spectacu-ar displays in three huge tulip arms. During the show, Dutch escendants in the community dress n costumes of their ancestors.

For Sounder Teeth — There may e a still better way to prevent ooth decay than the use of sodium luoride. CHEMICAL AND ENGINEER-NG NEWS reports that the Ozark-Mahoning Company has developed compound, called sodium mono-luorophosphate, which when used n rodents proved less toxic than odium fluoride and, at effective evels, did not mottle tooth en-mel. Also, tests showed growing eeth pick up more of the new ompound than fluoride. Experi-ments on human teeth are now o be made.

Prosperity---Superficial?

(Continued from page 38)

war prosperity on which we are still travelling.

In case of doubt, some people are temperamentally disposed to say "take the long chance"; others "play it safe". It is along these lines that the battle will be waged and the outcome will be determined in the next few months and the next few years. I, for one, fear that the stakes are too gigantic, not merely in terms of the continued welfare of 150 million people of our own but in terms of our opportunities and responsibilities as the keystone nation in a society of free governments, for us to afford to take such chances. Moving steadily and realistically to a balanced budget would force some problems into a harder posture this year and might even give us a year or two of less active and less profitable business and somewhat more unemployment. But that is not too high a price to pay for assuring ourselves and the world that we have the determination and the "know-how" to put our affairs on a solvent basis.

here are the GREAT LUBRICANTS

that'll work Longer, Harder ...more Productively for you

THIS FAMOUS LINE of petroleum products is finer than ever. Now new multi-million dollar refineries are producing blending stocks of unrivalled quality.

Whatever the size or type of your industrial operation Cities Service planned machinery lubrication can effectively contribute to increased production.

Now serving industry in all major fields, including steel, automotive, food, mining, railroad, metal machining and many other light and heavy industrial operations.

Let an experienced lubrication specialist look over your requirements. Get in touch with the Cities Service representative nearest you ... or write Cities Service Oil Company, 919 No. Michigan Ave., Chicago 11, Illinois.

Makers of the famous: **Pacemaker Oils • Trojan Greases • Neptune Oils • North Star Oils • Cisco Compounds • Trojan Gear Oils and many other outstanding petroleum products for industry.**

CITIES SERVICE
QUALITY PETROLEUM PRODUCTS

GUARANTEED "REBUILT" POWER EQUIPMENT

YOU'RE SAFE! — WHEN YOU BUY FROM CHICAGO ELECTRIC

We Carry A Complete Stock Of
AC & DC MOTORS • M.G. SETS
TRANSFORMERS • PUMPS
GENERATORS
HOISTS • SWITCHBOARDS

There's no doubt about it ..... you're doubly safe when you buy **"REBUILTS"** from **CHICAGO ELECTRIC.**

First—you can count on the equipment's performance because it is **FULLY GUARANTEED** to perform as per original name-plate specifications. For the full conditions of this guarantee see our catalog No. 50.

Second—This **NEW EQUIPMENT PERFORMANCE** is yours at a tremendous **40 to 70% SAVING** over the cost of new equipment.

In addition to the above, there are many more **PLUS ADVANTAGES** of dealing with **CHICAGO ELECTRIC** such as outstanding repair service and liberal trade-in allowances. Call us today!

PHONE TODAY

CHICAGO Electric Co.

FIRST SOURCE FOR OVER 40 YEARS

1318 W. CERMAK RD. CANAL 6-2900 CHICAGO 8, ILL.

Thrill to the Taste...

MARS

THE TOASTED ALMOND BAR

Just sink your teeth through that extra thick, pure milk chocolate coating . . . packed with crunchy-fresh, whole, toasted almonds . . . all over a snow-white nougat center that is creamy-rich and smooth. For the finest quality candy bar of them all, just try

MARS

HOT TIN DIPPING

Specializing in quantity production of industrial fabricated parts in steel — copper — brass — Hotel — Restaurant — Dairy — Bakery equipment. Sheets — bars — tubes — pipe — etc.

Lead & special mixture coatings.

Operating largest facilities in the industry.

C. DOERING & SON, Inc.
LAKE & LOOMIS STS.
MOnroe 6-0921

New Products

New Canned Fuel

A self-pressurizing fuel for flame tools and small appliances, packaged in a seamless throw-away container about the size of an ordinary beer can, has been introduced by Pressure Products Corporation, 140 N. Dearborn Street, Chicago 2. Called "Prepo," the fuel is being utilized in the first of a series of tools and appliances, including a hand torch which lights instantly, without pumping or priming and burns with a flame of more than 2200 degrees. "Prepo" cannot be poured from the container, since there is no way the container can be opened. When one can is exhausted, a new one can be quickly inserted. Other new products which soon will use the fuel are a weed burner, a camp stove, a solder dip pot, and a camp lantern.

New Spray Washer

A self-container spray washer, designed for washing intricate assemblies like typewriters and teletype machines, has been developed by the Industrial Filter and Pump Manufacturing Company, 1621 W. Carroll Avenue, Chicago 12. The unit consists of a welded steel tank, 24 x 24 x 24 inches, with a perforated steel false bottom for supporting the work to be cleaned. In each corner are four swivel spray nozzles that direct fine sprays on the parts.

Plastic Tennis Tape

A tennis court tape made from vinyl plastic and designed for marking base lines, service lines, double and half court lines, has been introduced by the Rex Corporation, Cambridge, Mass. Called "Rextrude," the tape is made from Goodrich Geon plastic and is said to be exceptionally resistant to age, weathering and sunlight and to be priced lower than the cheapest cotton tapes.

Carbon Black Cleanser

A new quick acting, non-injurious cleanser designed for removing carbon black from industrial workers' skin has been developed by the Lanair Chemical Corporation, 23 W. North Avenue, Chicago 10 Called Lanco #532, the cleanse usually provides complete cleanin in a single application when use with a tub or shower bath, accord ing to the company.

Auto Vacuum Cleaner

Craft Industries, Inc., Buffalo 13 N. Y., has developed a new ca vacuum cleaner, called Vacu-Mite which operates on the vacuum buil up by the engine. Craft Industrie says the cleaner, which retails fo only $2.50, develops powerful suc tion and can be easily installed i an auto.

Unique Desk Designs

L. Nemes, Chicago furniture de signer and manufacturer, has in troduced two new office and home desks each with several unique features. The "Jiffy Type Desk" has an adjustable flourescent light a drop leaf on each side and a re movable panel center section that holds a standard typewriter and can be raised or lowered as desired. Fully extended, the "Jiffy" becomes a wide flat-topped desk. The second new product is a one-piece, chair-desk combination with a cabinet and adjustable light. The company's address: 2620 N. Hampden Court, Chicago 14.

Hose Holder

The dangerous habit of weary gardeners, inserting the lawn hose in a looped-over clothes line, can be avoided with "Sprinkle-King", an upright rod holder which clamps a hose nozzle securely at any height from three inches to three feet above the ground. The manufacturer, Sierra Sales Co., Los Angeles, Calif., says the unit allows water to be directed to a flower bed or lawn area at a turn of the clamp wheel.

Mice Destroyer

Electronic Rat Traps, Inc., of Rochester 4, N. Y., which until now has been utilizing higher science to obliterate the nation's rat population, has now focused its attention downward to the considerable number of unapprehended mice. Its

ution for this lesser problem in-lves no electronics, in fact, noth-g more complicated than the old -paper idea. Nevertheless, Elec-nic's new "Mice Stic-Fast" Pads o for 39 cents) are said to en-are up to 10 incautious beasts, erely by holding them until they pire from "over-exhaustion in try-g to become released." "Mice ic-Fast is sanitary," says the com-ny, "you merely pick up the rpse-filled pads . . . and drop the ole thing into the ash can."

o Stoop Golf

A lot of the stoop and bend is ken out of golfing with a unique lf bag, called "Tri-Par," which being marketed by Atlantic Prod-ts Corporation, Trenton, N. J. ri-Par stands up by itself, thanks two tripod legs which snap into lace when the golfer tees off or utts. When the bag is picked up, ey clip back against the side of e bag.

nexpensive Home Alarm

"Alert Alarm" is the name given new, inexpensive burglar and in-ruder alarm being marketed by lectromagic Company, 1003 Penn venue, Pittsburgh 22, Pa. The nit is powered by a self-contained lectric unit and requires no wir-ng. It attaches to a door or win-low with two screws and is said to ound a continuous ear-piercing larm at the slightest opening of a loor or window.

The Lobbyist

(Continued from page 20)

as since dropped the "cooperative" rom its title) spent $128,590. Total obbying bill for the fight: $338,376.

It is not often that a legislative attle provides so clear and direct clash between opposing lobbies. More often it is a lobby against norganized opposition, or the Ad-ninistration against a lobby. It is rue that in the oleo there was ressure from consumer and labor roups that had an effect on the utcome, but as far as the cost lement is concerned, it added lit-le if anything.

There have been other lobby vs. obby clashes at this session. Two hat were equally clear-cut were the ght between California and Ari-ona water interests over the Cen-ral Arizona reclamation project, and the fight of oil and natural gas companies in behalf of the Kerr bill, in which they were opposed by consumer groups, municipal officials, and industrial users.

The oleo-butter fight was by no means a record breaker for cost. The American Federation of Labor once gained the title of biggest individual spender by devoting $819,648 to the unsuccessful fight in 1947 to prevent enactment of the Taft-Hartley law. Since then it has been surpassed by the American Medical Association, which spent $1,522,683 in 1949 fighting the Administration's compulsory health insurance bill.

For number of lobbyists, and scope of lobbying, organized labor dominates the field. It may also be argued that labor is rapidly gaining ground over business in the continuing battle for Washington influence—a fact that makes lobbying, and how it works, of particular importance to every businessman.

What is lobbying? Dictionaries define it as soliciting members of a legislative body in order to in-

"Day Bright" every night

New, low-cost exterior flood-lighting steps up business!

Do you let your business "go to sleep" at night? Progressive merchants everywhere are learning that they can substantially increase sales by attracting customers 24 hours a day—new, low-cost Mercury Vapor Exterior Flood Lighting keeps them in business *after hours*, too!

With a Mercury Vapor Flood Lighting installation, your own location becomes the "feature attraction" of your entire business area at nightfall—and the current cost is less than *1 penny per unit per hour!* Trouble-free Mercury Vapor Exterior Flood Lighting installations include a time switch for fully automatic operation.

Make yours the outstanding business site in your neighborhood, day *and night.* Get the facts now . . . learn how this amazing new lighting development can effectively increase your sales . . . telephone CHesapeake 3-6100 or write today for complete information.

Available on easy time payment plan

HYRE ELECTRIC CO. Since 1912

Electrical Engineering and Construction • Industrial and Commercial Power Generation, Distribution and Lighting • Motor Repairs and Maintenance.

2320 OGDEN BOULEVARD CHICAGO Call CHESAPEAKE 3-6100

A CHECK-UP
Might Step-Up Your
ADVERTISING RESULTS

Today's marketing conditions accentuate the need for a more critical analysis of advertising and selling methods. That is why many executives are now asking such questions as—

"Is our program well balanced to give proper emphasis to all phases of selling including point - of - purchase material, sales literature and sales training as well as publication advertising?"

"Are we using the right media to reach our best prospects at lowest cost?"

"Is our advertising copy as forceful as it should be?"

Without cost or obligation to you we will be glad to help you examine your entire advertising plan and present recommendations based on more than 25 years of experience in serving large and small advertisers.

SCANTLIN & COMPANY
Advertising Agency
612 North Michigan Avenue
CHICAGO 11, ILLINOIS
Telephone: MOhawk 4-0873

Recognized by Leading Publishers and Publishers' Associations

DE LEUW, CATHER & COMPANY
Consulting Engineers
Transportation, Public Transit and Industrial Problems

Industrial Plants — Grade Separations
Railroads — Expressways
Subways — Tunnels
Power Plants — Municipal Works

150 N. WACKER DRIVE,
CHICAGO 6, ILL.

fluence legislation. The legal definition includes "any person . . . (who) receives money or any other thing of value to be used principally to aid" passage or defeat of any legislation in Congress. Actual testimony before committees is exempt from penalty, but the law would seem to apply the moment anyone talks privately to a member of Congress for or against a pending bill.

It is this wideness of application that has spotlighted the extent to which labor engages in the practice. The filing clerks estimate that labor representatives comprise not less than one quarter, and probably one third, of all Washington lobbyists. For years labor has been alert to the value of lobbying as a technique for getting favorable legislation. On the other hand, businessmen have been aware of the importance of lobbying on measures directly affecting their business, but there is evidence that as a group they have neglected some opportunities to shape the social legislation that has been coming out of Congress in recent years.

A case in point is the crucially-important Full Employment Act. Professor Stephen K. Bailey of Wesleyan University has written a scholarly book, "Congress Makes a Law," which traces in detail the history of the act. He tells how Russell Smith of the National Farmers Union drafted the original proposal, and how a staff assistant of Montana's Senator James E. Murray marshalled national backing for it through labor and other organizations.

Helpful Work

The lobby for the bill was well organized and dead set on its object, the opposition small and scattered until Donaldson Brown, then vice president of the General Motors, read a newsletter prediction that the bill would pass because of the absence of opposition.

Brown organized a campaign against it. The opponents found that several members of the House Expenditures committee were bitterly opposed to it in the pending draft. These members, who lacked adequate staffs of their own to develop an adequate case against the bill, solicited substitute drafts and information from organizations like the United States Chamber of Commerce and the Committee for Economic Development.

In this case lobbies were useful in supplying each side with technical information and arguments. Congress often approaches new legislation with little technical information and generally it welcomes advice from all sources. Clearly, the group which is able to make the most adroit presentation of its facts has a good chance of exerting the greatest influence in shaping the final form of the law.

Control Bill

Lobbying has become a little better understood since Congress when it adopted its own reorganization law in 1946, incorporated a separate title devoted to regulating the practice. As legislation, it was a rather careless afterthought to the effort to streamline law-making.

One thing it did was to bring lobbying out of the shadows. It has often been said that there were as many lobbyists as there were members of Congress. As soon as the registrations came flocking in under the new law, it became apparent that this was a rank understatement. The first tabulation showed some 900, and today there are more than 2,000 names on file, or almost four lobbyists for every member of Congress.

The law was so loosely drawn that these registrations do not tell an accurate story. Examination showed that some of the registrants need not have filed, since they were unpaid. In some cases organizations filed as organizations, while others registered their lobbyists as individuals. A great many filed to make sure they were complying, but under protest, claiming the law did not cover their activities.

Some who should have filed did not; how many this involves is not known. The Justice Department indicted a former Congressman, Roger Slaughter of Missouri, for failure to register, and it also indicted the U. S. Saving and Loan League. In the latter case the indictment was dismissed as faulty. With so much confusion over the terms of the law, the National Association of Manufacturers filed for an injunction to prevent the Justice Department from enforcing it. None

hese actions has yet produced definitive court interpretation. h this chaotic situation, a Pennania Democrat, Representative nk Buchanan, last year introed a resolution for a special estigation of lobbying and got House to approve it. After rgthy preparation and field inigations, the seven-man comtee is now holding public hears.

Buchanan is a quiet-mannered, ite-haired man with a brand v approach in lobby inquiries. nen the hearings first opened he nounced:

I personally look upon lobby- as necessary and essential. hile lobbying in itself is not an l, there are evils in lobbying."

This sensible attitude is in sharp ntrast to all past congressional vestigations of lobbying, of which ere have been three in this cen-y. Invariably, they had sought expose the practices of some rticular pressure group or groups. These investigations had made adlines, and had helped enact lls which the lobby opposed, it they resulted in no permanent gislation attacking the abuses of bbying. Buchanan's proposal for genuine study of the basic lobing situation was so novel that me still do not understand what ie committee is after.

Bad Connotation

The word lobbying has had an nfavorable connotation for years, hangover from the times when was sometimes synonymous with ribery. The headline-hunting inuiries of the past did, it is true, nd to reduce flagrantly deceptive bbying practices.

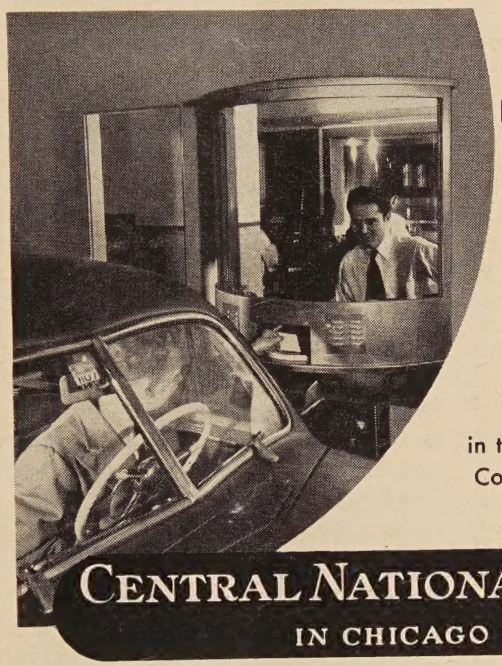
Even with lobbying more genteel nese days, there is still a tendency differentiate between "good lobies" and "bad lobbies." This was ecause the registration act spotghted the fact, to the surprise of me people, that along with the ressures put on Congress by Big usiness and "the interests," there ere organizations of consumers, bor, and individual citizens spendng money for similar pressure.

One contribution that is being ade by the Buchanan committee is to point out that there are ree kinds of lobbies: the special nterests, like the business and labor lobbies; the citizens' group interests, like the organizations banded to revise displaced persons legislation and carry out the recommendations of the Hoover report; and finally the government itself, a good candidate for the title of "most influential lobby."

None of these lobbies are necessarily bad of themselves, because legislation is always the product of various pressures. The important thing is to understand what their motives and interests are, so that each one may be given its appropriate pressure weight in the democratic process.

When the Buchanan committee studied the pressures in the field of housing legislation it went into all three types. On the side of those opposing public housing it investigated the National Association of Real Estate Boards, the National Association of Home Builders, the Building Products Institute, the National Retail Lumber Dealers, and the U. S. Savings and Loan League.

On the side of those pressuring



motor banking

•

just one of the countless conveniences when you make

CENTRAL NATIONAL

your bank

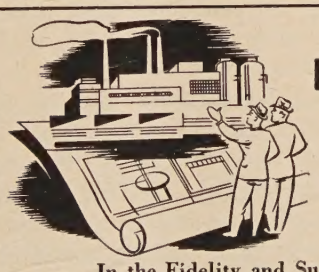
•

in the Heart of Chicago's Commerce and Industry

CENTRAL NATIONAL BANK IN CHICAGO

ROOSEVELT RD. AT HALSTED ST.

Member Federal Deposit Insurance Corp. Member Federal Reserve System



IF YOU WISH TO PLAN RIGHT

. . . you call a

SPECIALIST

In the Fidelity and Surety field there are numerous types of bonds which require the service of a specialist. Employers can secure individual, position or blanket Fidelity bonds to safe-guard them against dishonesty of "trusted" employees. Then there is the broader "3 D" policy providing employers with protection against dishonesty, destruction and disappearance of money and securities.

The bonding of contractors and suppliers requires specialized Surety bonds covering bids, supply contracts, construction, etc.

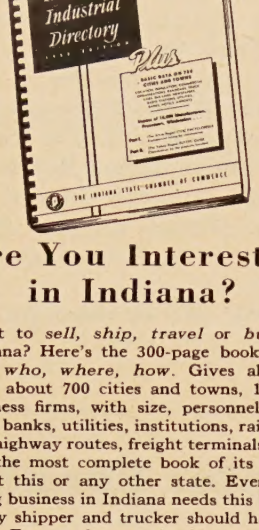
Moore, Case, Lyman & Hubbard's specialized Bond Department makes certain that our clients' needs will be well served.

INSURANCE MCLH

MOORE, CASE, LYMAN & HUBBARD

175 W. JACKSON BOULEVARD, CHICAGO 4
PHONE WABASH 2-0400

CHICAGO'S OLDEST INSURANCE AGENCY



Are You Interested in Indiana?

Want to *sell, ship, travel* or *buy* in Indiana? Here's the 300-page book that tells *who, where, how*. Gives all the facts about 700 cities and towns, 10,000 business firms, with size, personnel, etc. Lists banks, utilities, institutions, rail, air, and highway routes, freight terminals, etc. It's the most complete book of its kind, about this or any other state. Everyone doing business in Indiana needs this book. Every shipper and trucker should have a copy. Every salesman should carry it in his car or brief case. Book contains 100,000 facts about Indiana, all indexed for easy reference. This is the 1950, 7th Edition, just off the press. To avoid bookkeeping send check for $10.00 with order. If not what you expected, money cheerfully returned.

INDIANA STATE CHAMBER OF COMMERCE
BOARD OF TRADE BUILDING
INDIANAPOLIS, INDIANA

Do You Know...

... that the death of a business partner dissolves a partnership?

If **your** partner should die —

- Who would gain control of his interest in your business?
- Would **you** have the funds to buy his share?
- Or would you be forced to bring competitors, or y o u r partner's family, into the company?

A Prudential partnership life insurance program would leave control of the firm in your hands — pay your partner's family for their rightful share in the business.

Ask your Prudential representative to show you how a partnership life insurance plan protects the future of your family and your business.

75 YEARS OF SERVICE 1875 • 1950

THE PRUDENTIAL
Insurance Company of America
a mutual life insurance company

HOME OFFICE NEWARK, N. J.
WESTERN HOME OFFICE
LOS ANGELES, CALIF.

for public housing, it examined the CIO housing committee headed by Walter Reuther, and the National Housing Conference, Inc., which serves as a clearing house for a number of social agencies interested in the subject. And it did not overlook the officials of the government's housing agencies.

One change has already come out of the investigation. The three types of forms currently being used for registration or for filing of lobbyists' reports are being combined into one, which calls for specific information that will mean something to members of Congress and to the public. It will require a breakdown of expenditures by categories, and will show from what sources the lobbies get their money.

Among the constructive legislative proposals being considered are the following:

- Clarification of the law's terminology to eliminate the small fry, perhaps by exempting those who spend less than $1,000 a year or some such minimum amount.
- Clarification of filing requirements. At present there is what Buchanan calls a "twilight zone" in which lawyers, officers of corporations, public relations counsel, and legislative reporters are uncertain of their status. Some of them complain their lobbying efforts are only a negligible part of their total activities, or even non-existent; but most of them have filed anyway for fear of incurring liability under the law.
- Centering some definite responsibility for administration; setting forth in more detail the type of financial data desired of lobbies; requiring organization membership information; requiring explanations of how the pressure organization determines its policies.

The Buchanan approach to the present chaotic situation indicates that for the first time a Congressional committee is probing this field in an effort to be constructive instead of looking for headlines. When its job is done, business should have a considerably clearer picture of the Washington lobbyist and how he influences legislation that may strengthen, or perhaps cripple forever, the free enterprise system in America.

Advertisers' Index
May, 1950

★

A
A-Z Letter Service
Advertising Corp., The
Archibald, E. L., Company
Atchison, Topeka & Santa Fe Railway

B
Battey & Childs
Bell Company, The
Boynton, A. J., Company

C
Cadillac Glass Company
Capital Air Lines
Central National Bank
Chicago Association of Commerce & Industry
Chicago Belting Company I.F.C.
Chicago Electric Company
Chicago Name Plate Company
Chicago Offset Printing Co.
Chicago Planograph Corp.
Chicago Tribune B.C.
Chicago Wheel & Manufacturing Co.
Cities Service Oil Company
Clearing Industrial District
Commonwealth Edison Company
Crescent Electric Company 3
Critchell-Miller Insurance Agency 4

D
De Leuw, Cather & Co. 4
Denoyer-Geppert Company 4
Doering, C., & Son, Inc. 4

E
Efengee Electrical Suppy Company 2
Englewood Electrical Supply Company 2

F
First Federal Savings & Loan 3
Fulton Asphalt Company 4

G
Glee Club 4

H
Haines Company, The 3
Hargrave Secret Service 4
Harrington, J. J., & Company 4
Harvey Metal Corp. 4
Hulburd, Warren & Chandler 1
Hyre Electric Company 4

I
Indiana State Chamber of Commerce 4
Iron Fireman Mfg. Co. 1

J
James, D. O., Gear Manufacturing Co. 4
Journal Publishing Company 3

K
Kedzie Protective Patrol 4
Kellogg Switchboard & Supply Co.
Kling Brothers Engineering Works 4
Kroch's Bookstore, Inc. 2

L
Lorenz, George M., Steel Co. 3

M
Management Control Charts Co. 2
Mars, Incorporated 4
Marsh & McLennan, Inc. 2
McNeilly, H. J., & Company 3
Mercil, B., & Sons Plating Company 3
Metropolitan Electrical Supply Co. 4
Mid-West Heat Service 28, 4
Moore, Case, Lyman & Hubbard 4
Mueller, V., & Company 3

N
National Pesticide Company 4

P
Pedersen's Protective Patrol 4
Peoples Gas Light & Coke Company
Personnel Laboratory, The 3
Pesticide Company 4
Phipps Industrial Land Trust 3
Jacob Press' Sons, Inc. 3
Prudential Insurance Company 4

R
Rittenhouse & Embree Co. 3

S
Scantlin & Company 4
Sheridan, L. J., & Company 3
Sievert Electric Company 3
Simplex Window Cleaning Company 3
Snow, Fred, Steel Treating Company 3
Standard Oil Company I.B.C.
The Steel Supply Company

U
United Air Lines

V
Van Vlissingen, J. H., & Co. 3

W
Wabash Railroad 3
Weber, B. E., Company, Inc. 3

Commerce Classified MARKET PLACE

ecutives — Office Managers — Personnel Directors — Purchasing Agents — Buyers
You'll Profit from Reading and Answering these Advertisements

ertisements in this section: 20c per word—time; 15c per word—12 times. Minimum—words. **Display Classified** $12.50 per inch—one e:; $11.00 six times; $10.00 twelve times; ½ $7.00 one time; $6.50 six times; $6.00 ve times. Maximum Display Classified Space Inch. Copy must be received by 15th of vious month to be inserted under proper sification. Terms—Payable in advance unless dit references are approved. Address Classi- Department—COMMERCE—One North La- e Street—Chicago, Illinois.

BRASS FORGINGS

IMPROVE YOUR PRODUCT AND SAVE MACHINE EXPENSE BY USING OUR
BRASS FORGINGS
THE HARVEY METAL CORPORATION
74th & S. Ashland Ave.
HEmlock 4-4400 Chicago 36, Ill.

DETECTIVE AGENCIES

ARGRAVES SECRET SERVICE, General de- ctive business transacted everywhere. Offices open y and night. Executive offices 145 North Clark reet, Chicago, 2, Illinois. Telephone CEntral 1500. Regional offices, New York City; Miami, lorida; Indianapolis, Indiana; Kansas City, Mis- uri; Los Angeles, California; San Francisco, alifornia.

ELECTRICAL SUPPLIES

HONEYWELL
A Complete Stock of Controls
Call ST 2-4930
Metropolitan Electrical Supply Co.

EXTERMINATORS

Kill 'em Quick and Sure
DElaware 7-3932
EXTERMINATING
DISINFECTING
FUMIGATING
Chicago License No. 1
Est. 1898
PESTICIDE CO. 356 N. STATE ST.

FLOORS—INDUSTRIAL

FULTON ASPHALT CO.
Asphalt Mastic Floors
Acid Proof Mastic Floors
Industrial Composition Floors
165 W. Wacker Drive, Chgo. 1 RAndolph 6-1760
1870 80th Anniversary Year 1950

GEARS

Since 1888 MAKERS OF EVERY TYPE OF
GEAR AND GEAR REDUCER
D. O. JAMES GEAR MANUFACTURING CO.
PHONE CAnal 6-1800 1140 W. MONROE ST. CHICAGO

GRINDING WHEELS

Headquarters Since 1895 for
MOUNTED WHEELS and SMALL GRINDING WHEELS
A Shape and Size to Finish every kind of Material Faster and Better.
CHICAGO WHEEL & MFG. CO.
1101 W. Monroe St., Dept. C., Chicago 7
Phone CAnal 6-8155

INSURANCE

CRITCHELL MILLER INSURANCE AGENCY
Est. 1868
All Forms Insurance
WAbash 2-0340 175 W. Jackson Blvd.

LETTER SERVICE

A-Z LETTER SERVICE
ESTABLISHED 1918
Mimeographing ★ Multigraphing
Planographing ★ Multilith
Addressing ★ Mailing
Direct Mail Campaigns
Note Change of Address
139 N. CLARK DEarborn 2-1891

LITHOGRAPHERS—OFFSET

CHICAGO OFFSET PRINTING CO. Fine color lithography by the offset process. 610 West Van Buren St., Chicago 7, Illinois. Telephone STate 2-3694.

MACHINERY

KLING BROS.
ENGINEERING WORKS
GENERAL MACHINISTS
Medium and Heavy Work—Special Machinery
Structural Bending—Pattern Shop—Repairs
1320 N. Kostner Ave., Chicago 51, Ill.
Telephone CApitol 7-4200

MAP MOUNTING

MAP MOUNTING — On cloth. On compo. On moldings. In spring roller cases. DENOYER-GEPPERT COMPANY, 5235 Ravenswood Ave. LO.1-9200.

MERCHANDISE WANTED

MERCHANDISE
SURPLUS — CLOSEOUTS — DISCONTINUED ITEMS OR MATERIALS—ANY QUANTITY. IMMEDIATE ACTION AND CASH.
THE BELL COMPANY
3742-C Montrose Ave.
Chicago 18, Ill. COrnelia 7-4460

NAME PLATES

For your urgent needs. Name Plates, Dials, Panels, Etched — Engraved — Printed. Chicago Name Plate Co., 1831 W. Columbia Av., Chicago 26, Ill. AMbassador 2-9447.

PLANOGRAPHING

PHONE today MOnroe 6-9721 for reasonable prices on planograph printing. CHICAGO PLANOGRAPH CORPORATION, 1220 W. Van Buren St., Chicago, Illinois.

REAL ESTATE—INDUSTRIAL

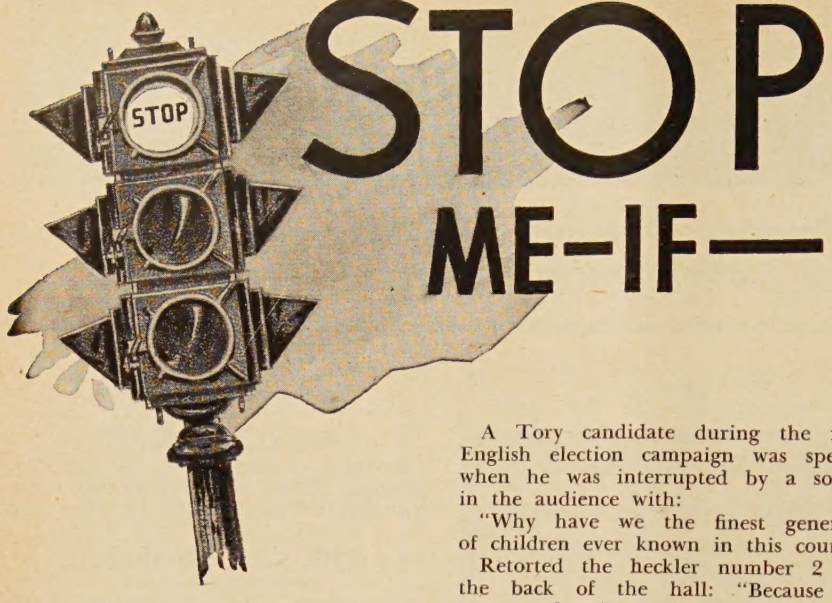
Industrial Real Estate
J. J. HARRINGTON & CO.
Since 1907
7 S. Dearborn St. • Chicago 3
FInancial 6-1322

WATCHMEN

Pedersen's Protective Patrol
24 Hours Service—City-Wide & Suburban Service
Uniformed watchmen—Day & Nights by the week or month—Special Sanitary Service with permanent jobs.
Central Office—SAcramento 2-4108—4109
North Side Office—TUxedo 9-6670
3242 W. Roosevelt Road Chicago 24

UNIFORMED GUARDS For Factories, Warehouses, Etc.
Licensed and Bonded Under State of Ill. Established 1919
CARS EQUIPPED WITH TWO WAY RADIO
KEDZIE PROTECTIVE PATROL
301 So. Kedzie Ave. CHICAGO 12
Phone Day and Night—KEdzie 3-5250

Mention COMMERCE Magazine
when writing advertisers



STOP ME-IF—

A district attorney was having trouble with one of the witnesses, a rather pugnacious old man.

"Are you acquainted with any of the jurymen?" asked the district attorney.

"More than half," grunted the witness.

"Are you willing to swear that you know more than half of them?"

The old man flicked a glance over the jury box. "If it comes to that," he drawled, "I'm willing to swear I know more than all of them put together."

* * *

Eddie, the hardware clerk, was inefficient and discourteous. One day when he was absent, the atmosphere was like the tranquil beauty of summer weather after a thunderstorm, and a customer remarked on the difference.

"Eddie ain't just away," said the proprietor. "He don't work here any more."

"Do you have anybody in mind for the vacancy?"

"Nope," said the proprietor, "Eddie didn't leave no vacancy."

* * *

The family was engaged in the game of questions and answers, when Mother directed a question to little Marjorie.

"Dear," Mother inquired, "what is the opposite of permanent?"

The child reflected a moment, and then replied, "Oh, yes, straight hair!"

* * *

Employe: "Boss, I came to see if you could raise my salary."

Boss: "Go back to work and don't worry. I've managed to raise it each pay day so far, haven't I?"

* * *

A spinster was shocked at the language used by workmen repairing cables near her home, so she wrote to the company that owned the cables. The manager immediately asked the foreman on the job to make a report and here's what the foreman said:

"Me and Spike Williams were on this job. I was up the pole and accidentally let the hot lead fall on Spike—and it went down his neck. Then Spike looked up at me and said 'Really, Harry, you must be more careful.' "

A Tory candidate during the recent English election campaign was speaking when he was interrupted by a socialist in the audience with:

"Why have we the finest generation of children ever known in this country?"

Retorted the heckler number 2 from the back of the hall: "Because they were produced by private enterprise!"

* * *

Sophomore: "Dad, do you know that you're a lucky man?"

Father: "How is that?"

Sophomore: "You won't have to buy new books for me this year. I am taking last year's work over again."

* * *

Woman guest (toward the end of a cocktail party): "I certainly feel a lot more like I do now than when I came in."

* * *

"Why haven't you been in church lately?"

"My daughter is learning to play the harp."

"What's that got to do with going to church?"

"I'm not so keen about going to heaven as I was."

The smiling, confident young man tered a New York bank. He steppe to the manager's desk and began, " day, sir. Has your bank any need highly intelligent, college-trained m

The manager poised over a "Your name?"

"Gradwell Lesserman."

"Experience?"

"Just out of college."

"I see," said the manager. "And kind of a position are you seeking

"Well," mused the young man, "I something in the executive line, such a vice-presidency, for example."

The manager put down his pe "I'm really very sorry," he said sarc cally, "but we already have 12 vice p dents."

The young man waved a hand, stated happily, "Oh, that's all right; not superstitious!"

* * *

"Has James changed much in the y he has been away?"

"No, but he thinks he has. He k talking about what a fool he used be."

* * *

City Banker (visiting the farm): suppose that's the hired man."

Farmer (who has visited banks): " that's the first vice president in charge cows."

* * *

It was the first wedding ceremo for the young minister and he almost as bashful and embarrassed the young couple before him. In a br effort to round out the affair, the minis stammered:

"It's all over now. Go and sin more!"

* * *

He: "You used to say there was so thing about me that you couldn't h but love."

She: "But it's all spent now."

"Father! For godsake slow down — he can't get away!"